



2024 Annual Report

The Year In Review



I am honoured to share the Management's endeavours, experiences, and triumphs of the year 2024 for the Annual Report. The year also saw me through my third year as the Chief Executive Officer.

Operational Highlights for the year 2024

Successful implementation of the electronic Patient Information System (ePIS): TTPL played a pivotal role in the successful implementation of the ePIS for the Ministry of Health, a flagship digital initiative of the Royal Government of Bhutan. The system has been deployed across 54 hospitals, 185 primary health centres, and 56 extended primary health centres nationwide, revolutionising patient data management and healthcare service delivery. This accomplishment reflects TTPL's capability in executing large-scale national digital transformation projects.

Driving digital transformation: At TTPL, we have successfully spearheaded digital transformation across various companies, revolutionising business operations with our cutting-edge ERP solutions since 2020. Through these implementations, we have not only modernised business processes but also laid the foundation for sustained digital excellence, empowering organisations to thrive in an increasingly competitive market. TTPL continued to dominate the market in Enterprise Resource Planning (ERP) solutions, securing 9 new implementations and executing three major system upgrades for existing clients during the year 2024.

IntegraSuite ERP implementation in 20 companies: Our opensource IntegraSuite ERP has empowered 20 organisations with seamless automation, real-time analytics, and improved operational efficiency. These businesses now experience optimised workflows, data-driven decision-making with scalable and flexible systems for business needs.

SAP solution deployment in 16 DHI companies & subsidiaries: We have also successfully implemented SAP solution across 16 Druk Holding and Investments (DHI) companies and their subsidiaries, ensuring enterprise-wide integration, robust financial and supply chain management that aligns with global standard compliance.

Brand expansion and product diversification: TTPL made significant strides in brand building by successfully designing and developing custom software, web-based applications, and mobile apps for various government agencies. The company also diversified its product portfolio by developing innovative in-house solutions, such as:

AI CustCare – A customer service chatbot powered by artificial intelligence.

Automated eRecruitment System – A fully digital hiring platform.

DigiTrust solution – A credential verification system for employee background checks.

A major initiative is being undertaken to integrate AI-powered tools into various products, aligning

with TTPL's long-term vision to establish itself as a Centre of Excellence in Software Engineering.

Ethical Hacking & Cybersecurity assessments: TTPL conducted ethical hacking assessments across 17 DHI companies to evaluate vulnerabilities in their mobile application, corporate website and associated network. These assessments provided comprehensive reports highlighting security gaps and system vulnerabilities, enabling organisations to enhance their cybersecurity infrastructure with actionable recommendations. In total 172 vulnerabilities have been resolved with close to 100 still being addressed.

Human capacity development: TTPL's initiative to build a resilient team of developers, business analysts and other core personnel has been crucial for technological advancement and the company's growth. By continuously enhancing knowledge and skills, the company ensures that its workforce remains competitive and adaptable to emerging technologies and serves high-quality products and services. This long-term vision not only benefits TTPL but also strengthens Bhutan's position as an emerging technology-driven economy.

For the year 2024, TTPL in collaboration with Koenig Solutions conducted the following programs wherein a total of 24 employees' knowledge and skills has been enhanced in:

1. Business Analysis Professional
2. Spring Boot Software Testing

Additionally, in collaboration with the Government Technology Agency, 8 employees of TTPL obtained professional certifications in Scrum, Scrum Master and Scrum Product Owner. TTPL too trained 2 network personnel in ICDL training on Cybesecurity, and one employee each in Risk Management and Activity Based Costing.

On employee *attrition*, TTPL experienced a significant reduction with only 11 (attrition rate of 16.66%) employees resigning compared to 23 in 2023 (attrition rate of 29.48%). This positive trend reflects the company's continuous efforts to enhance employee satisfaction, foster a supportive work environment, and implement strategic retention initiatives. Key factors contributing to this improvement could be attributed to competitive compensation and benefits, career development opportunities, and a strong emphasis on work-life balance. Additionally, an engaging workplace culture and leadership's proactive approach to addressing employee concerns have played a crucial role in improving retention and reducing attrition.

On *Rent a Space* that is leasing commercial space to Foreign Direct Investments (FDIs) in the IT/ITES sector, TTPL was able to retain all 7 FDIs in operating their business out of TechPark. The year also saw full occupancy of the commercial space available for lease.

The highlight of the year besides successful completion of ePIS Project, was establishment of *Information Access Centre*: AI Development Centre within Bhutan Innovation and Technology Centre (BITC) that serves as a multifunctional hub housing a digital transformation lab (AI development centre), two digital training halls (24 and 16 seatings) with 37 all-in-one system and three interactive board, advanced video conferencing system along with aided tools (optical character reader and AI based mobile reading magnifier) for differently abled individuals.

This centre is poised to catalyse the startup ecosystem and significantly contribute to Bhutan's

digital economy by fostering AI development, skill-building, and technological innovation. TTPL established this centre with support from National Information Society Agency (NIA), Republic of Korea and made the facility available to public by last quarter of year 2024.

Financial Highlight

Financial performance and prudence in resource management: Thimphu TechPark Limited achieved a commendable revenue of Nu. 220.02 million in 2024 against an ambitious target of Nu. 301.25 million. The company demonstrated exceptional resilience by closing the revenue gap by Nu. 41 million despite starting the year with an initial deficit of Nu. 121 million and no confirmed projects. This achievement underscores TTPL's strategic efforts in securing business opportunities and expanding its service portfolio.

Moreover, the company's prudent financial management enabled it to maintain expenditures significantly lower than the set target. Against an estimated expenditure of Nu. 225.51 million, TTPL effectively managed costs, limiting actual spending to Nu. 166.18 million. This financial discipline has strengthened the company's fiscal sustainability and operational efficiency.

The audited financial statements indicate strong financial stability, supported by a solid asset base and healthy equity. The income statement reflects a positive profitability trend, while the statement of changes in equity demonstrates an increase in shareholder value despite dividend distributions. Furthermore, the cash flow statement highlights robust cash availability from operational activities.

Conclusion

2024 has been a year of resilience, innovation, and strategic growth for TTPL. The company has demonstrated financial prudence, technological excellence, and a strong commitment to national digital transformation initiatives. Moving forward, TTPL remains dedicated to expanding its market leadership, fostering innovation, exceeding revenue goal, enhancing customer satisfaction, creating a rewarding work environment with committed support for professional development of employees in achieving its vision of becoming a Centre of Excellence in Software Engineering.

I formally express the management's gratitude to all the stakeholders and individuals, with special appreciations to DHI and the TTPL Board for their unwavering guidance and support. I also extend my sincere appreciation to the employees, the valued clients, and FDI companies at TechPark for their continued cooperation.

I wish 2025 a year filled with success, growth, and endless opportunities.



(Kuenga Jurmi)
Chief Executive Officer

The Year In Picture



Celebrating 12th Foundation Day



IntegraSuite ERP Contract Signing with Green Bhutan Corporation Limited



SAP Warehouse Management Go-Live, Mangdechhu Hydropower Plant



Collaboration with Eminence Ways, Nepal in enhancing cybersecurity.



In-house Product Vetting



Annual Picnic



Exhibition at Bhutan Innovation Forum



TTPL Staff Engaging in Sports



Appointment of Chief Operating Officer



Recipient of Civil Service Award



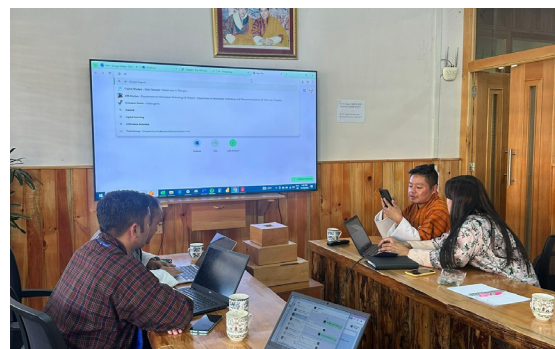
TheGateway (e-Recruitment) Contract
Signing with Renew Micro Finance



BRECSA UAT Signing for Ministry of
Agriculture and Livestock



New Employee Orientation



DigiTrust Go-Live for DHI Group of
Companies



Launch of Information Access Centre
(IAC)



RISE with SAP implementation Contract
for the DHI Group of Companies



Successful Deployment of ePIS in the Hospitals Across Bhutan



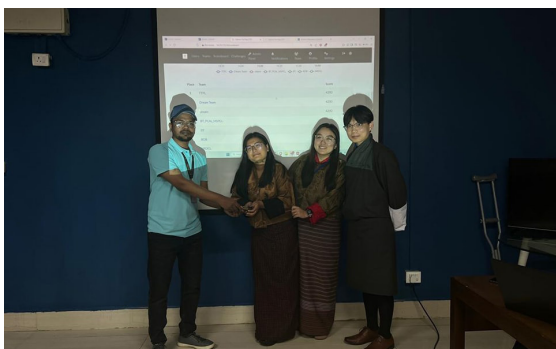
Visit to Northeast India - Outreach program on ePIS



Training on Spring Boot Software Testing



IntegraSuite ERP Version upgrade for Gyalsung Infra



Workshop on Cyber Hygiene Practices



SAP Material Management (MM) User Training



Training of Trainers (ToT)



Consultative Workshop on the Development of TB Module for ePIS

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1. COMPANY PROFILE

Thimphu TechPark Limited (TTPL) is Bhutan's first Information Technology (IT) Park, established as a strategic initiative by the Royal Government of Bhutan through the then Department of Information Technology and Telecom (presently Government Technology Agency) under the Ministry of Information and Communication. The park was developed with funding support from the World Bank Group under the Private Sector Development Project (PSDP), aiming to promote the IT/ITES sector, enhance national IT skills, and improve access to finance.

Development and Public-Private Partnership

Built under a pioneering Public-Private Partnership (PPP) model, Bhutan's first IT Park was jointly developed by Druk Holding and Investments Ltd. (DHI) with a 26% equity stake and Assetz Property Group holding 74% equity. This model facilitated the Design, Build, Finance, Own, Operate, and Transfer (DBFOOT) mechanism, marking a significant milestone in Bhutan's infrastructure development history.

The construction of the IT Park was completed on 30th April 2012, and operations commenced on 7th May 2012.

Transition to National Ownership

In a strategic move to enhance national digital capabilities, DHI assumed full ownership of the park, and the entity was officially incorporated as Thimphu TechPark Limited (TTPL) on 29th October 2014.

Initial Mandate

TTPL was initially mandated to:

- Attract and facilitate Foreign Direct Investments (FDIs) in the IT/ITES sector,
- Offer commercial spaces for global IT companies to establish operations in Bhutan,
- Manage and operate the Bhutan Innovation and Technology Centre (BITC), which included a Tier-2 Data Centre, Business Incubation Space, and a Shared Service Centre to support innovation and entrepreneurship.

Strategic Transformation

In 2019, TTPL embarked on a strategic transformation from a facility management entity to a software and IT services company, aligning with the national vision of digital transformation and innovation. This transition positioned TTPL as a Centre of Excellence in Software Engineering, with a core focus on:

- Custom software development,
- Mobile and web-based application development,
- Implementation and support of ERP solutions such as IntegraSuite ERP and SAP,
- Data analytics and business intelligence services, and
- To continue with operation of BITC and leasing of commercial space to FDIs.

TTPL also emerged as the preferred IT service provider for DHI-owned companies, Government Technology Agency, various governmental agencies, development partners and private companies offering comprehensive and integrated IT solutions under a "One-Stop IT Service Provider" model.

1.2 Vision, Mission and Values



Vision

To inspire, enable and develop Unicorns



Mission

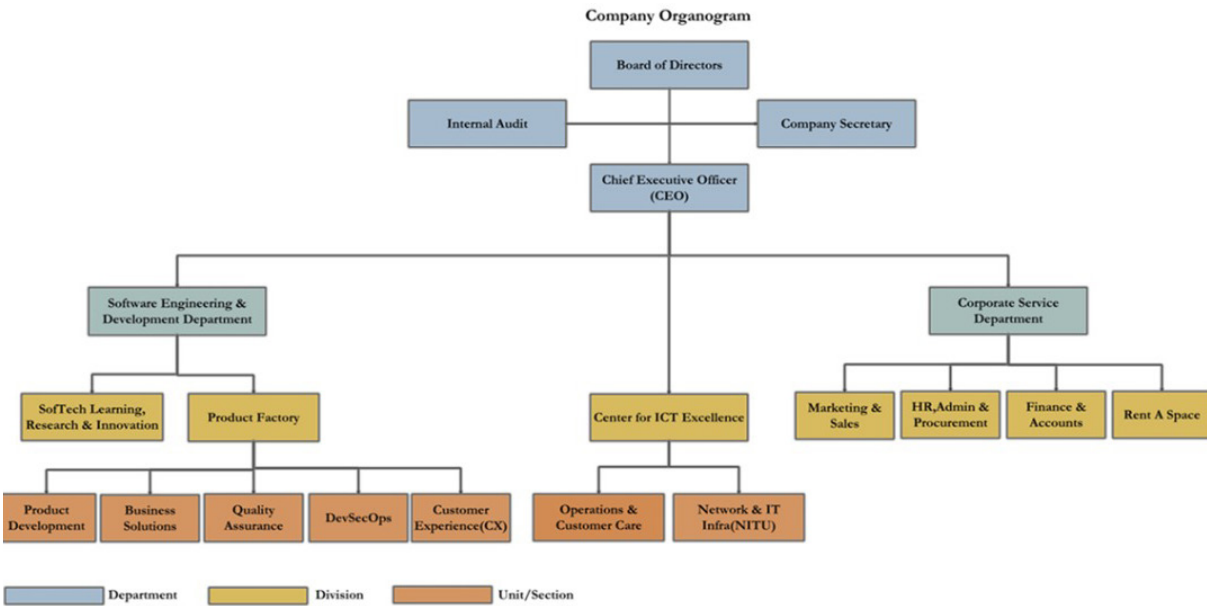
- Continuously evolve our capabilities to:
- *Be the Centre of Excellence (CoE) for providing IT and product development services*
 - *Be the preferred location for entrepreneurs and multi-national organisations*
 - *Be the leader in building human capital*



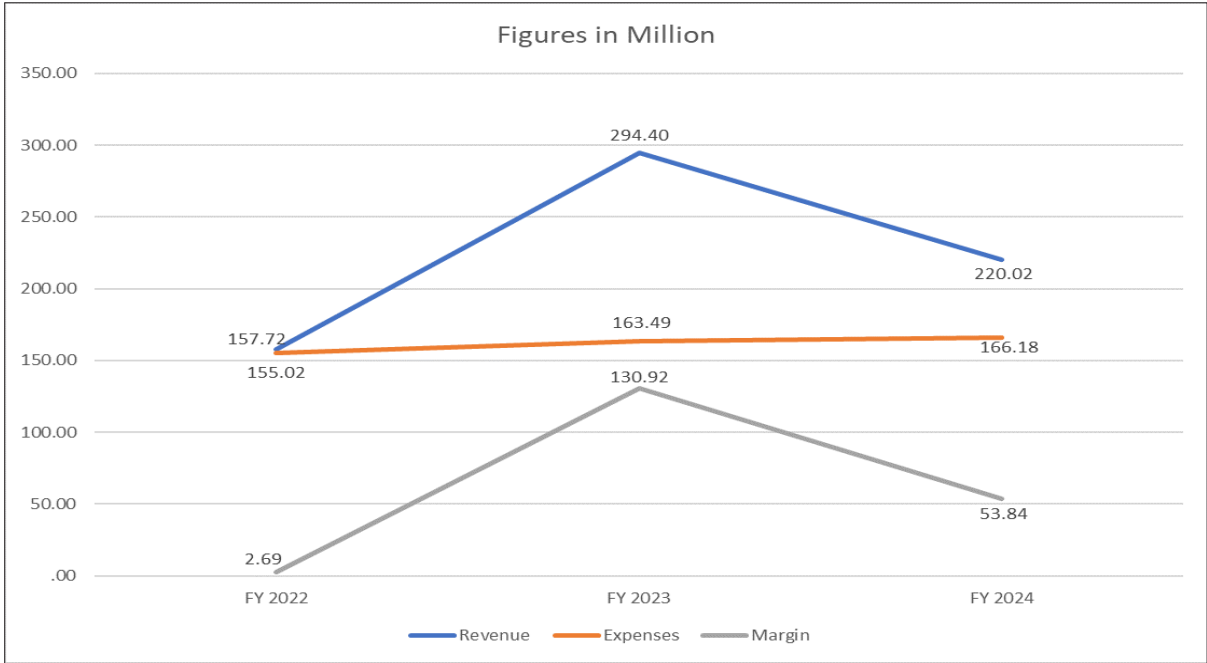
Values

- Honor: We do the right things*
Excellence: We do things right
Adaptability: We respond right
Respect: We treat others right
Teamwork: We perform right

1.3 Organisationl Chart



1.4 Financial Performance (2022-2024)



2. BOARD OF DIRECTORS



Mr. Jacques von Benecke, Chairman since September 2022

Mr. Jacques has over 30 years of experience in the area of Consulting. Over this time, Jacques has developed strong competencies in the areas of Digital Transformation, Strategy, Innovation, Culture, and Operational change design and implementation, Developing and coaching startup companies, Enterprise Architecture and Solution Architecture. Jacques successfully delivers complex programs of work by utilising his skills and experience to identify problems and matching that with innovative solutions from cross-industry to deliver outstanding business outcomes.

Mr. Tenzin, Associate Director, Department of Investments (DOI), DHI - March 2024

Tenzin is an Associate Director of Druk Holding & Investment Ltd.'s Department of Investment. In 2002, he began working for Bhutan Power Corporation Ltd. He holds a Bachelor of Engineering (electrical and electronics) from PSG College of Technology in Coimbatore, Tamil Nadu, India, and a Master of Business Administration (MBA) from the University of Texas at El Paso, USA. His areas of experience, knowledge, and passions include project management; smart cities; corporate finance; company growth; and innovation and technology.



Ms. Audrey Low, President, GCIT - March 2024

Audrey is currently the President of Gyalpozhing College of Information Technology and the Chief Advisor to Sherubtse College. She has been instrumental in reforming Bhutan's ICT Higher Education, introducing modern Pedagogical and Andragogical approaches in teaching & learning along with advancing GCIT and Sherubtse applied abilities in Computer Science, Interactive Development, Digital Design, Project Management and Economics. Prior moving to Bhutan, she has more than 10 years of teaching experiences in Singapore and a decade of organisational experiences in Finance and Oil & Gas. Audrey is a regular feature on stage where she enjoys sharing Knowledge about Disruptive and Generative Technologies. Her most recent conversation is about Generative AI and the exponential growth of Blockchain Software Technology.

Mr. Karma Sonam, Chief ICT Officer, GovTech - March 2024

Mr. Karma Sonam started his career as an Assistant ICT Officer at the Ministry of Work and Human Settlement. He holds a Master's Degree in Information Technology and Systems from the University of Canberra, Australia. With over 19 years of experience in the civil service, he has significantly contributed to the ICT Sector of the Royal Government of Bhutan, overseeing numerous ICT projects in software, networks and data centres. He currently works as the Chief ICT Officer at the GovTech Agency.



Mr. Tashi Penjor, Director, DoHS, MoIT - March 2024



Tashi Penjor is the Director for Department of Human Settlement, Ministry of Infrastructure and Transport, Royal Government of Bhutan. As the Director, he has led the formulation, implementation and management of many nationally significant projects such as, Comprehensive National Development Plan for Bhutan 2030, Thimphu Paro Regional Strategy, Thimphu Structure Plan and Regenerative Bhutan (Preserving our past and shaping our future) that continues to promote safe, sustainable and livable human settlements. In his professional career spanning close to two decades, he has also been involved in designing and implementing numerous landscape and architectural projects that strives to shape the future of our cities, towns and villages. Tashi studied architecture in India and he has Masters Degree in Urban Design and Development from UNSW, Australia. He serves as the Board Director for Thimphu TechPark Ltd, a DHI owned company. He also serves as the Executive Director of Tarayana Foundation and engages in the holistic community growth and development initiatives. Tashi is the member of the Royal Bhutanese Institute of Architects.

Pema Dorji (PhD) Dy. Chief Program Officer, DoMDF, MoF - March 2024



Pema Dorji is an Economist at the Department of Macro-Fiscal and Development Finance, Ministry of Finance, Bhutan. He has a Ph.D in Economics from the Nagoya University, Japan with Master of Economics Degree from University of New England, Australia. He started his career with Department of Revenue and Customs, Ministry of Finance, in 2007. His area of experience and expertise lies in the field of Bhutanese economy, macroeconomics and growth theories.



Mr. Kuenga Jurmi, CEO/Board Director, since January 2022

Mr. Kuenga Jurmi is the present Chief Executive Officer of Thimphu TechPark and has Master of Information (MIT) from University of Canberra (UC), Canberra, Australia. Prior to joining Thimphu TechPark, he served as founding Chief Executive Officer of Financial Institutions Training Institute (FITI) for seven years. He has demonstrated ability in a broad range of skills and competence involving in maintaining banking related software application (CBS), experiences in implementing operational procedures in IT dependent environment and people management.

3. MANAGEMENT TEAM



Mr. Kuenga Jurmi
CEO



Mr. Kinley Tshering
CPO



Mr. Tenzin Rabgay
COO



Ms. Lungten Zangmo
Project Manager, RISE with SAP



Mr. Tashi Phuntsho
Head, HRAPD



Mr. Lhendrup Dorji
Lead, IntegraSuite ERP



Ms. Kinley Wangmo
Senior Finance Manager



Ms. Tshering Dechen
Company Secretary

4. DIRECTOR'S REPORT



Dear Shareholder,

On behalf of the Thimphu TechPark Board and the Management, the Board is honoured to present the annual performance of Thimphu TechPark Limited for the year ending 31st December 2024. The report comprises the operational performance highlights along with the key achievements and financial results.

Operational Highlights

Since transitioning as a software company from 2019 as part of the Into the Next Decade- A Roadmap for DHI and Group 2.0, Thimphu TechPark has been steadfastly working towards becoming a Centre of Excellence in Software Engineering, rapidly expanding its workforce, while continuing with the TechPark services in facilitating FDI's business operations.

Thimphu TechPark has successfully completed the implementation of the **electronic Patient Information System (ePIS)** for Ministry of Health, a key digital flagship program for Royal Government of Bhutan. This transformative initiative is expected to enhance healthcare efficiency by streamlining patient data management, improving accessibility, and ensuring seamless service delivery across Bhutan. Building on this success, the company has reached out to Northeast India (Assam and Meghalaya), Gulf countries and other international markets to position ePIS as a robust and scalable healthcare solution. Additionally, the office is leveraging the global presence of Tata Consultancy Services (TCS) to explore potential collaboration for the international export of the product further reinforcing its commitment to digital innovation in healthcare.

TTPL has successfully completed several custom software development projects for key government agencies to improve governance, efficiency, and digital transformation across various sectors for streamlined operations and data-driven decision-making. The **Board Director Database and Evaluation System (BDDDES)** that automates selection, appointment, and assessment of SOE's Board Directors and CEOs, **Computerized Maintenance Management System (CMMS)** to track the lifecycle cost of medical equipment, **Bhutan Resilient Commercial Smallholder Agriculture (BRECSA)** facilitating project planning, procurement, and financial reporting, **Customer Information File (CIF)** that digitally store and manage customer data efficiently, and **Web-based Application System** for Competition and Consumer Affairs Authority that disseminates information on prices and local market prices.

During the same period, TTPL secured key digital development projects such as enhancement of **electronic Bhutan Medical Supply Inventory (eBMISIS)** and **Medical Waste System (mWaste)** for JDWNRH; **Strategic, Planning, Monitoring and Execution System (SPMES)** for Prime Minister's Office.

TTPL too successfully implemented **Enterprise Resource Planning (ERP)** such as SAP and

IntegraSuite ERP to drive digital transformation for smart governance and operational efficiency that streamlines finance and accounts, procurement, human resource management, payment system and others to construct data-driven decision, improve work-flow automation, and enhance productivity to achieve enterprise excellence. The new client additions under IntegraSuite ERP are Gyalsung Infra (upgradation), His Majesty's Secretariate, Bhutan Broadcasting Service, Bhutan Development Bank, Construction Development Corporation (upgradation) and Dorjilung Hydro, Nikachhu and Bhutan NDI and enhancement work for Mangdichhu Hydro with SAP ERP.

As a software company primarily dependent on DHI companies and government agencies, TTPL has strategically started diversifying its capabilities to ensure sustainability and growth by investing in **in-house product development**. This key initiative necessitates reducing its reliance on external projects, innovating and introducing tailored solutions, diversifying revenue and expanding the market, and strengthening local talent.

We introduced eRecruitment system through TheGateway platform, adopted subscription-based pricing and managed to offer the service to seven companies. Besides, TTPL experienced and developed CustCare powered by AI, which is integrated to TheGateway, and onboarded eight DHI companies to our DigiTrust (employee verified credentials) that is integrated to NDI Wallet.

The successful deployment of software product, ERP implementation and in-house product development highlights TTPL's commitment to fostering digital transformation in Bhutan in automating critical governance and operational processes. Moving forward, TTPL aims to expand its expertise to regional and international markets, positioning itself as a leader in custom software solutions and ERP implementor.

During the same period TTPL undertook an exercise of conducting ethical hacking of websites and mobile applications of 17 DHI companies to assess the system's resistance to real-world threats as an initiative to enhance cybersecurity.

This exercise resulted in observing prevalent issues such as absence of rate limiting, use of outdated TLS v1, use of unsupported applications and services, multiple SSL vulnerabilities to name a few. The exercise upon recommendations, managed to address in fixing 172 vulnerabilities (89 still being fixed) with final advice to implement web application firewall (WAF), enforcing strict access control, disabling data feeds (not required for public access) and implementation of timeout mechanisms.

A significant milestone for Bhutan's digital transformation is **establishment of IAC: AI Development Centre** at Thimphu TechPark, formally opened towards last quarter of the year. The centre is expected to play a pivotal role in driving Bhutan's digital transformation and serve as a catalyst for innovation and technological advancement. TTPL expects to generate good revenue by leasing out its facilities that would cover the centre's operational and maintenance costs. As of now, we are yet to realise any revenue as the centre's operation has just commenced.

With grant valued at Nu. 14 million from NIA, Korea, the state-of-the-art facility boasts five GPUs, 44 all-in-one desktops, three smartboards with latest video conferencing system. During its inaugural, in collaboration with the National Information Society Agency (NIA), Korea conducted AI/Cloud-based Platform training, and an AI Training Data Labeller.

Financial Position and Key Financial Performance Highlights

In 2024, TTPL aimed to achieve a revenue target of Nu. 301.25 million. However, the company fell short of this goal. The management acknowledged the shortfall without making excuses, noting that the initial proposed revenue was Nu. 179 million.

TTPL began the year with a revenue gap of Nu. 121 million despite lacking confirmed projects. Notwithstanding this challenge, the company generated a notable revenue of Nu. 220.02 million thereby closing the revenue gap by Nu. 41 million.

Likewise, the total expense incurred for the year 2024 was Nu. 166.18 million, an increase of 1.62% compared to Nu. 163.49 million in 2023 but way below the set target of Nu. 225.51 million. The increase mainly pertains to the recruitment of twenty-one new employees and the payment being made to an international consultant.

As of December 31, 2024, the Company's balance sheet revealed a cash balance of Nu. 71.87 million and a fixed deposit of Nu. 41.88 million. The company too liquidated (loan) an amount of Nu. 26.41 million, that was payable to the National Pension and Provident Fund.

From the audited accounts the balance sheet discloses strong financial stability with solid asset base and healthy equity, the income statement reflects positive profitability trend, the equity statement reveals an increase in shareholder value despite dividend payout, and the cash flow statement indicates healthy cash availability from operations.

Corporate Governance

The Company complied with the DHI CG Code 2019. The Board of Directors led by the Chairman met as often as possible to discuss important issues affecting the operations of the company, provide guidance and strategic direction to the management and making important decisions on behalf of the company.

The company's Board convened in total six Board meetings, one Audit Committee meeting and one Board Human Resource Committee meetings during the year. By the end of year 2024, the Board consisted of seven members including the Chief Executive Officer.

Challenges and Outlook for 2025

The following are the challenges that the company is facing:

1. *Achieving Revenue:* the limiting factors such as small market size restricts the customer base and revenue opportunities while financial constraints on procuring agencies hinder their ability to invest in TTPL's solutions at scale.
2. *Talent Acquisition and Retention:* TTPL continues to face challenges in recruiting highly skilled tech professionals mainly because of its structured pay compensation that limits salary competitiveness to respond swiftly to market demands. Further, the absence of an accelerated promotion pathway for tech talent reduces its ability to attract and retain top professionals, impacting its capacity to drive innovation and growth. In the year 2024, TTPL saw in total 11 employees resigning.

3. *Skill and Talent Gap*: Limited availability of skilled professionals in emerging technologies such as AI, Blockchain etc., impedes adoption of latest technologies and innovation with high cost for continuous training and upskilling.

4. *Technology changes and market expansion*: TTPL faces the challenge of maintaining competitiveness by staying up to date with the latest trends and technologies, and meeting customer expectations—particularly in understanding their needs, preferences, and behaviors. Additionally, the company must manage growth, including expanding its workforce, entering new markets, and scaling operations.

To overcome above challenges, TTPL need to adopt the following:

1. Penetrate and dominate the market in a few products like implementing ERP solutions (IntegraSuite and SAP).
2. Focus on high quality custom software development and maintain good relationships with clients.
3. Streamline hiring process, implement skills-first hiring practices, introduce accelerated promotion pathway and create a pool of qualified candidates for ready hire.
4. Advance employees through upskilling and professional development with wellness program and enjoyable work environment with blended workforce model – contingent workers.

The Outlook 2025

Thimphu TechPark is poised for a promising 2025 with several key factors driving its positive outlook. Its successful implementation of the electronic Patient Information System (ePIS), underscores TTPL's ability to manage and execute high-impact national projects, strengthening its reputation as a trusted government partner. Securing the RISE with SAP project for the DHI and Group further solidifies its position in delivering world-class enterprise solutions, expanding its footprint in the corporate sector. TTPL has also established itself as a leader in providing IntegraSuite ERP, gaining recognition for delivering efficient and scalable opensource ERPNext platform.

Adoption of tactical sales through original video (story on software use) and tutorial contents, gathering and displaying client testimonials, engaging with influencer marketing, and demonstrating different products at live and expo events.

Moreover, its reputation for providing high-quality and timely custom software solutions enhances its market credibility. Additionally, a stable and healthy balance sheet with strong cash reserve, TTPL is well-positioned to invest in innovation, expand its service offerings, explore new revenue streams, and capitalize on emerging opportunities to ensure sustained growth and competitiveness in the evolving digital landscape.

Though the year 2025 is going to be a very challenging year in terms of financial targets, the team remains committed to achieving it and improving its financial position.

Acknowledgement

The Company would like to acknowledge with much appreciation to the invaluable guidance and support received from Druk Holding & Investments, DHI Owned Companies, the Board Directors, the tenant companies, the TTPL management and the employees, Government Technology Agency, Ministry of Finance, Ministry of Health, and the Royal Government of Bhutan.

We look forward to same support and guidance.

For and on behalf of the Board

A handwritten signature in blue ink, appearing to read 'Benecke', with a stylized initial 'J'.

(Jacques von Benecke)
Chairman, TTPL Board

5. CORPORATE GOVERNANCE REPORT

TTPL aims to achieve high standards of corporate governance and ensures compliance with the provisions of the Companies Act of Bhutan 2016, Corporate Governance Code and Ownership Policy developed by DHI, and other statutory requirements for the Financial Year 2024.

5.1 Board of Directors

The Board of Directors plays an active role in the operations and decisions made by TTPL through contributions of their professional opinions and active participation in discussion. The Board acts as a governing body for the company. TTPL Board consists of seven members, including the Chief Executive Officer. All members of the Board are identified and appointed by DHI with subsequent endorsement in the general meetings. The DHI organizes and conducts an orientation program for the new board members to prepare them for the roles and responsibilities of the board.

Sl	Name	Designation/Address	Date of Appointment	Director Type	Remarks
1	Jacques von Benecke	Chief Technology Officer, DHI	August 2022	Non-Independent	2nd Term
2	Pema Dorji (PhD)	Dy. Chief Program Officer, DoMDF, MoF	April 2024	Independent	1st Term
3	Karma Sonam	Chief ICT Officer, GovTech	April 2024	Independent	1st Term
4	Tashi Penjor	Director, DHS, MoIT	April 2024	Independent	1st Term
5	Tenzin	Associate Director, DoI, DHI	April 2024	Non-Independent	1st Term
6	Audrey Low	President, GCIT	April 2024	Independent	1st Term
7	Kuenga Jurmi	CEO, TTPL	Since 15th January 2022	Non-Independent	2nd Term

5.2 Board Meeting

A total of six Board Meetings were conducted in the year 2024. The quorum requirements were maintained in accordance with the Companies Act of Bhutan, 2016 and the DHI Corporate Governance Code. The details of the meetings are as follows:

Meeting No.	Board Directors	Attendance
86th Board Meeting Date: 25th March 2024	Mr. Jacques von Benecke	Present
	Mr. Jigme Tenzing	Present
	Mr. Phuntsho Namgyal	Present
	Mr. Changa Dorji	Present
	Mr. Ujjwal Deep Dahal	Apologies
	Mr. Kuenga Jurmi	Present
87th Board Meeting Date: 17th May 2024	Mr. Jacques von Benecke	Present
	Ms. Audrey Low	Present
	Mr. Pema Dorji	Present
	Mr. Karma Sonam	Present
	Mr. Tenzin	Present
	Mr. Tashi Penjor	Apologies
	Mr. Kuenga Jurmi	Present

88th Board Meeting Date: 23rd July 2024	Mr. Jacques von Benecke	Apologies
	Ms. Audrey Low	Present
	Mr. Pema Dorji	Present
	Mr. Karma Sonam	Present
	Mr. Tenzin	Present
	Mr. Tashi Penjor	Present
	Mr. Kuenga Jurmi	Present
89th Board Meeting Date: 20th September 2024	Mr. Jacques von Benecke	Present
	Ms. Audrey Low	Present
	Mr. Pema Dorji	Present
	Mr. Karma Sonam	Present
	Mr. Tenzin	Present
	Mr. Tashi Penjor	Apologies
	Mr. Kuenga Jurmi	Present
90th Board Meeting Date: 2nd December 2024	Mr. Jacques von Benecke	Present
	Ms. Audrey Low	Present
	Mr. Pema Dorji	Present
	Mr. Karma Sonam	Present
	Mr. Tenzin	Present
	Mr. Tashi Penjor	Present
	Mr. Kuenga Jurmi	Present
91st Board Meeting Date: 18th December 2024	Mr. Jacques von Benecke	Present
	Ms. Audrey Low	Apologies
	Mr. Pema Dorji	Present
	Mr. Karma Sonam	Present
	Mr. Tenzin	Present
	Mr. Tashi Penjor	Apologies
	Mr. Kuenga Jurmi	Present

5.3 Board Committees

There are three Board Committees:

1. Board Audit Committee (BAC)
2. Board Tender Committee (BTC)
3. Board Human Resource Committee (BHRC)

Board Audit Committee

The Board Audit Committee is formed to review the financial reports, consider the effectiveness of the internal control systems, and ensure compliance with laws and regulations.

In the year 2024, one Board Audit Committee Meeting was conducted as detailed below:

Meeting No.	Members	Chairman/Member	Attendance
12th Board Audit Committee Meeting Date: 15th February 2024	Mr. Changa Dorji	Chairman	Present
	Mr. Phuntsho Namgyel	Member	Present

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Board Tender Committee

The Board Tender Committee is a committee of the TTPL Board of Directors, primarily responsible for evaluating proposals related to tenders and associated matters, which are recommended by the Management for approval or further recommendation to the TTPL Board. No Board Tender Committee Meetings were held in 2024.

Board Human Resource Committee

The Board Human Resource Committee is responsible for supporting the Board in carrying out its duties related to human resources development and management by reviewing proposals, making decisions at its discretion, or offering recommendations to the Board.

One Board Human Resource Committee Meeting was conducted in the year 2024 as detailed below:

Meeting No.	Members	Chairman/Member	Attendance
19th Board HR Committee Meeting Date: 13th February 2024	Mr. Jigme Tenzing	Chairman	Present
	Mr. Ujjwal Deep Dahal	Member	Present
	Mr. Kuenga Jurmi	Member	Present

5.4 Board Remunerations

Remuneration paid for the CEO and the Board in the year 2024 are detailed in the following tables.

a. Compensation paid to the Chief Executive Officer

Particulars	Amount (Nu.)
Salary & Allowances	2,726,664.00
Sitting Fees	64,000.00
Provident Fund Contribution	173,496.00
Travel (incl. workshop, seminar, etc.)	95,777.00
Other Benefits (LTC, Leave, PBVA & Bonus)	98,538.00
Total	3,158,475.00

b. Compensation paid to the Board of Directors (inclusive of the CEO)

Particulars	Amount (Nu.)
Sitting Fees	394,000.00
Travel (incl. workshop, seminar, etc.)	-
Director's DSA	2,500
Total	396,500.00

5.5 Annual General Meeting

The 16th Annual General Meeting was held on March 27, 2025, at DHI Board Room and attended by the Shareholder, Board Directors, and the key members of the management team.

The Annual General Meeting transacted the following business items:

1. Ratification of the Minutes of the 15th Annual General Meeting.
2. Consideration of audited accounts for the financial year ended December 31, 2023, along with the Auditor's Report and Director's Report.
3. Declaration of Dividend.
4. Review and assessment of Compact 2024.
5. Appointment and retirement of Directors.
6. Declaration of remuneration for CEO and Directors.
7. Appointment and fixing the remuneration of Auditors.

5.6 Risk Management System

TTPL maintains an annual risk register in line with the format provided by the DHI. The mitigation strategies and monitoring effects are updated quarterly. This proactive approach helps TTPL stay ahead of potential risks by continuously assessing and addressing them through targeted mitigation strategies. The quarterly updates to the risk register ensure that new and emerging risks are promptly identified and managed. By regularly reviewing and adjusting these strategies, the company not only minimizes potential disruptions but also enhances its overall resilience, safeguarding its long-term growth and operational stability. Furthermore, this process strengthens institutional capacity by fostering a culture of risk awareness and adaptive management across the organisation.

The risk register is maintained in the following format:

1. Activities
2. Risk
3. Control
4. Monitoring

5.7 Corporate Social Responsibility

In 2024, TechPark advanced its mission to create youth employment by supporting FDIs and offering direct job opportunities for university graduates. The company donated a total amount of Nu. 51,625 to Rinchen Terzoed, Paro as well as to Kurim at Tendrel Thang and the Cybersecurity Conference organized by the GovTech Agency.

5.8 Policies and Practices of CEO and Board Evaluation

The company follows the ownership policy and corporate governance code of DHI for CEO and Board Evaluation.

INDEPENDENT AUDITOR'S REPORT

TITLE SHEET

Title	:	Audit Report on the financial statements of Thimphu TechPark Limited
AIN	:	
Head of the Agency	:	Kuenga Jurmi Designation: Chief Executive Officer CID No. 11306002310
Finance Personnel	:	Mr. Tandin Tshewang Designation: General Manager CID: 11608001660 Period: January to September 2024 Mrs. Kinley Wangmo Designation: Sr. Finance Manager CID No. 10505000367 Period: October 2024-till date
Period Audited	:	Jan. 1, 2024 – Dec. 31, 2024
Schedule of Audit	:	Planning: Jan. 3 - Jan. 9, 2025 Actual: Jan. 3 – Jan. 9, 2025 Reporting: January 2025
Composition of Audit Team	:	<u>Team Leader:</u> CA Dilli Ram Bista CID No. 11810002939 Yok Bahadur Karki CID No. 10302003793 <u>Team Members:</u> 1. Passang Tobgay CID No. 11505002480 2. Jamyang Chador CID No. 11604002248 3. Dawa Tshering CID No. 11105000888 4. Sherab Wangmo CID No. 11107000631
Supervising Officer	:	Yok Bahadur Karki , Managing Partner
Engagement Letter	:	Engagement letter RAA(SA-31) COAD/2024/3234 dated 18.11.2024
Focal Person	:	CA Dilli Ram Bista Email: cabhutan@yahoo.com Phone: 17258738/17420185
Date of Exit Conference	:	16.1.2025

INDEPENDENT AUDITORS' REPORT

The Shareholder(s)
Thimphu TechPark Ltd. (TTPL)
Thimphu, Bhutan.

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **Thimphu TechPark Limited** (the “Company” **TTPL**), which comprise the Statement of Financial Position as at December 31, 2024 and the Statement of Comprehensive Income, Statement of Changes in Equity and statement of Cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and explanation given to us, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2024 and of its financial performance and its cash flows, for the year then ended in accordance with Bhutanese Accounting Standard (BAS).

Basis for Opinion:

We conducted our audit in accordance with the provision of the Company Act of Bhutan, 2016 (“The Act”) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bhutan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair representation of the financial statements in accordance with the Bhutanese Accounting Standards (BAS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audi-

tor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Auditing Standards and the General Terms of Reference in Bhutan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing and terms of reference for audit, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

As required by Section 266 of the Act (the Minimum Audit Examination and Reporting Requirements), we enclose in the Annexure 'A' a statement on the matters specified therein to the extent applicable.

As required by section 265 of the Act, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company in so far as it appears from our examination of those books.
- c) The Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report agrees with the books of account.
- d) In our opinion, the Company has complied with other legal and regulatory requirements.

Dilli Yok & Associates
Chartered Accountant
Firm License No:
CRC2625



CA Dilli Ram Bista

Membership No. 542831

Place: Thimphu

Date: 14/04/25



REPORT ON MINIMUM AUDIT EXAMINATION REQUIREMENTS

MINIMUM AUDIT EXAMINATION AND REPORTING REQUIREMENTS

(To the Extent Applicable)

All audits have been carried out applying the International Standards on Auditing (ISA) as adopted and issued by the Accounting and Auditing Standards Board of Bhutan (AASBB).

General

1. The Company has adhered to the Corporate Governance Guidelines and Regulations as applicable to them.
2. Generally, the governing board/authority pursued a prudent and sound financial management practice in managing the affairs of the company.
3. The financial statements are prepared applying the Bhutanese Accounting Standards issued by the Accounting and Auditing Standards Board of Bhutan (AASBB).
4. Proper books of accounts have been maintained, and financial statements are in agreement with the underlying accounting records.
5. Adequate records as specified under Section 228 of the Companies Act of Bhutan 2016 have been maintained.
6. Mandatory obligations social or otherwise, if any, entrusted are being fulfilled.
7. The amount of tax is computed correctly and reflected in the financial statements.

In the case of a Service Sector company

1. The Company has maintained proper records in IntegraSuite ERP system showing full particulars including situation and location-wise quantitative details of fixed assets. There were no discrepancies as per book records and physical verification report.\
2. The fixed assets were not revalued during the year under audit.
3. During our examinations there is no as such inventories such as finished goods, stores, spares parts and raw materials except inventories pertain to office stationeries. The management informed us that the physical verification of the stocks of office stationaries is done at the year end.
4. The clause is not applicable as per the clause 3.
5. The clause is not applicable as per the clause 3.
6. The company has a reasonable system of recording receipts, issues and consumption of office stationery Items commensurate with its size and nature of its business.
7. The clause is not applicable as per the clause 3.
8. The clause is not applicable as per the clause 3.
9. As per clause 8, the said clause is not applicable.
10. As per clause 8, the said clause is not applicable.
11. As per clause 8, the said clause is not applicable.
12. Based on the information and explanations provided to us by the company, no new loans were availed during the financial year under review. However, the loan availed in the previous financial year continues to be at the agreed rate of interest, and the other terms and conditions of the loan are, prima facie, not prejudicial to the interests of the company.
13. The Company has not granted any loans, secured or unsecured, to other companies, firms, or other parties and/or to the companies under the same management during the

year under audit.

14. Loans/advances granted to the officers/staff, if any, are generally in keeping with the provisions of the Company's Service Rules and neither excessive/frequent advances were granted nor accumulation of large advances against individuals were noticed.
15. According to the Information's and explanations made by the management, the company has established adequate system of internal controls to ensure completeness, accuracy and reliability of accounting records, carrying out the business in an orderly and efficient manner, to safeguard the assets of the company as well as to ensure adherence to the rules/regulations, system and procedures. Internal Control/Risk Management is satisfactory with the size and volume of the business.
16. There is a reasonable system of authorization at proper levels and adequate system of internal control commensurate with the size of the company and nature of its business on issue of stores and allocation of Stores and Labour to jobs.
In our opinion and according to the information and explanations given to us, having regard to the exception that some of the items of special nature, there is an adequate system of competitive bidding, commensurate with the size of the company and the nature of its business, for the purchase of goods and services including stores, plant and machinery, equipment and other assets
17. (a) There is no Register of Contracts in which Directors are Interested In the absence of Register, while reviewing the documents we were unable to conclude any cases of transactions of purchases of goods and services made in pursuance of contracts or arrangements entered into with the directors or any other parties related to the directors or with companies or firms in which the directors are directly or indirectly interested.

(b) This clause is not applicable in view of observation in clause (a) above.

18. According to our examination, no as such personal expenses are capitalized under the work in progress.
19. The said clause is not applicable in the view of the nature of the business.
20. The said clause is not applicable in the view of the nature of the business.
21. The said clause is not applicable in the view of the nature of the business.
22. The said clause is not applicable in the view of the nature of the business.
23. Based on test verification, The Company is regular in depositing rates and taxes, duties, royalties, provident funds, and other statutory dues with the appropriate authority. Further the provision for corporate tax is adequate and that necessary adjustments have been made to compute amount of tax as per the prevailing tax laws, rules and regulations of Bhutan.
24. As per the records made available to us, there was undisputed amount payable in respect of rates, taxes, provident funds and other statutory dues, which are outstanding as on the last day of the financial year.

SI No.	Particular	Amount (Nu)
1	2% TDS Payable	87,113.62
2	3% TDS Payable	884,037.89
3	Salary Tax Payable	402,966.20
4	Health Contribution	49,077.00
	Total	1,423,194.71

25. The company has a reasonable system of allocating man-hours utilized to the respective jobs, commensurate with the size and nature of its business
26. The said clause is not applicable in the view of the nature of the business.
27. As explained by the management, the draft credit policy is currently under review and will be presented to the Board in the upcoming meeting, as per Note Sheet No. TTPL/CDS/AccFIN/2025/3186. With respect to a proper credit rating policy, it was clarified that since all projects are assigned by Druk Holding & Investments (DHI), a formal credit rating policy is not required.
28. The said clause is not applicable in the view of the nature of the business.
29. The company had come up with the reasonable system for continuous follow-up with debtors and other parties for recovery of outstanding amounts. Also, age- wise analysis of outstanding amounts is carried out for management information and follow-up action.
30. The management of liquid resources particularly cash/bank and short-term deposits etc. are generally adequate and that excessive amount are not lying idle in non-interest-bearing accounts, except for the substantially high bank balance Nu. 71,866,756.43 as at 31-12-2024. The withdrawals of loan amounts if required are made after assessing the requirements of funds from time to time and no excess amounts are withdrawn leading to avoidable interest burden on the company.
31. In our opinion, the activities carried out by the management are lawful and intra-vires the Articles of Incorporation of the Company.
32. The investment decisions are made subject to prior approval of the Board and investment in new projects are made only after ascertaining the technical and economic feasibility of such new ventures.
33. The Company has established a budgetary control system, which in our opinion is adequate and effective.
34. The said clause is not applicable in the view of the nature of the business.
35. In our opinion, other than the sitting fees for the directors, no other payments in the nature of remuneration and commission have been paid to the Directors Except to CEO. The sitting fees and other expenses paid to the Directors are disclosed in Note No. 29, Related Party Transactions of this Report.
36. To the best of our knowledge, we have not come across any instance of the directives of the Board that has not been complied with.
37. We are given to understand by the Management the officials of the company have not transmitted any price sensitive information which are not made publicly available, unauthorized to their relatives/friends/associates or close persons which would directly or indirectly benefit themselves.
38. Proper records are kept for inter unit transactions/services and arrangements for services made with other agencies engaged in similar activities.
39. As per our examination the proper agreements are executed, and the terms and conditions of leases are reasonable and the same are applied.

Computerized Accounting Environment

1. The company maintains its system in ERP and access to database is restricted and limited in accordance with the nature of the work, users and official's designation. This ensures adequate organisational system and internal control relating to the size and nature of computer installations.
2. The accounting system software and all the computers are strictly password protected

with appropriate user-access over the computer installations and the files.

3. The company has adequate safeguard measures and back up facility. As per information provided to us, the back-up facilities are additionally kept in Microsoft Cloud Service platform to serve the requirement of storing them at a separate location.
4. The operational controls are adequate and automatic to ensure correctness and validity of input data and output information.
5. In our opinion and according to the information and explanations given to us, the measures taken by the Company to prevent unauthorized access over the computer installations and files are adequate.
6. No change-over to a new system had been done during the audit period. Hence question of data migration does not arise.

Other requirements:

1. Going concern problems

The Company's present operational and financial data indicates that the Company is financially healthy, and we have no reason to believe that the Company is not a going concern entity. Accordingly, the financial statements have been prepared on the going concern assumption.

2. Ratio Analysis

Refer To **Exhibit-III**

3. Compliance with the Companies Act of Bhutan 2016

As confirmed by the Management and as verified from accounts and information provided, we are of the opinion that the Company has complied with provisions of The Companies Act of Bhutan 2016.

4. Adherence to Laws, Rules and Regulations

The audit of the Company is governed by the Companies Act of Bhutan 2016 and the scope of audit is limited to examination and review of the financial statement as produced to us by the management. In the course of Audit, we have considered the compliance of provisions of the said Companies Act, Income Tax Laws and its Articles of Incorporation only.

Dilli Yok & Associates Char-
tered Accountant Firm License
No: CRC2625


CA Dilli Ram Bista
Membership No: 542831
Place: Thimphu
Date: 14/04/25



FINANCIAL STATEMENTS

1.1 THIMPHU TECHPARK LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

Particulars	Note	As at 31-12-2024	As at 31-12-2023
ASSETS			
NON-CURRENT ASSETS			
Investment Property	7A	201,618,954.71	209,209,740.53
Property, Plants & Equipment	7B	81,316,443.27	64,164,830.78
Right-of-Use-of-Asset	7C	1,003,778.94	1,072,216.97
Deferred Tax Assets	7D	1,633,669.62	
Total Non-Current Assets		285,572,846.54	274,446,788.27
CURRENT ASSETS			
Financial Assets			
Trade & Other Receivables	4	108,539,790.60	107,791,284.93
Short Term Investment	6	41,881,401.08	40,000,000.00
Cash and Cash Equivalents	5	71,866,756.43	59,250,802.66
Other Current Assets	7	2,035,455.14	1,571,605.57
Total Current Assets		224,323,403.25	208,613,693.16
Total Assets		509,896,249.79	483,060,481.43
EQUITY AND LIABILITIES			
Share Capital		223,090,900.00	223,090,900.00
Retained Earnings		118,332,477.22	79,522,571.83
Other Reserves		-	-
Total Equity		341,423,377.22	302,613,471.83
LIABILITIES			
NON-CURRENT LIABILITIES			
Other Non-Current Financial Liabilities	8	-	24,300,754.24
Other Non-Current Liabilities	9	104,123,132.52	91,531,558.32
Long Term Employee Benefits	10	1,712,589.06	1,417,355.33
Deferred Tax Liabilities	11	-	5,973,043.75
Total Non-Current Liabilities		105,835,721.58	123,222,711.64
CURRENT LIABILITIES			
Trade & Other Payables	12	44,941,314.46	38,678,534.68
Other Current Financial Liabilities	13	1,155,555.00	3,266,653.00
Other Current Liabilities	14	14,901,056.43	13,590,906.10
Lease Liability	15	1,639,224.37	1,688,203.98
Provision for Income Tax	16	-	-
Total Current Liabilities		62,637,150.99	57,224,297.76
Total Equity & Liabilities		509,896,249.79	483,060,481.43

* The Accompanying notes form an integral part of the standalone financial statements

For Dilli Yok & ASSOCIATES

For Thimphu TechPark Limited

Chartered Accountants

FRN: CRC2625

CA Dilli Ram Bista

Membership No.: 542831

Place: Thimphu




Chairman


Chief Executive Officer

THIMPHU TECHPARK LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER
2024

(All figures in Bhutanese Ngultrums unless otherwise stated)

Particulars	Note	As at 31-DEC-2024	As at 31-DEC-2023
COMPREHENSIVE INCOME			
Revenue from Operations	17	209,509,923.12	287,649,691.46
Finance Income	18	2,116,001.73	2,054,230.77
Other Income	19	8,396,886.25	4,697,204.31
Total Income		220,022,811.10	294,401,126.54
EXPENSES			
Employee Related Costs	20	72,123,326.34	57,358,348.46
IT & IT Services Expenses	21	65,406,938.22	73,989,103.59
Operation & Maintenance Expenses	22	711,820.42	459,625.47
General Administration Expenses	23	12,287,168.91	13,409,288.76
Depreciation & Amortization	7A	14,819,873.45	14,519,136.71
Finance Cost	24	828,752.80	3,750,471.19
Total Expenses		166,177,880.14	163,485,974.18
Profit on Operations before Tax		53,844,930.95	130,915,152.36
Current Income Tax Expenses	27	-	-
Deferred Tax Income	27	7,606,713.37	60,930.00
Profit on Operations after Tax		61,451,644.33	130,976,082.36
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified to Profit & Loss</i>			
Actuarial Gain/(Loss) on Post-Employment Benefits	26	358,261.06	1,869,566.97
Fair Value Changes on Investment Property, Net	25	-	-
Income Tax Relating to Items that will not be Reclassified		-	-
Other Comprehensive Income for the period, net of tax		358,261.06	1,869,566.97
PROFIT/(LOSS) FOR THE YEAR		61,809,905.39	132,845,649.33
Basic and Diluted Earnings per Share	28	27.55	58.71

*The Accompanying notes form an integral part of the standalone financial statements

For Dilli Yok & ASSOCIATES
Chartered Accountants
FRN: CRC2625

For Thimphu TechPark Limited

CA Dilli Ram Bista
Membership No. 542831
Place: Thimphu




Chairman


Chief Executive Officer

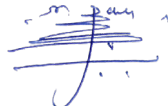
2024 Annual Report

THIMPHU TECHPARK LIMITED STATEMENT OF CHANGE IN EQUITY FOR THE ENDED 31 DECEMBER 2024

(All figures in Bhutanese Ngultrums unless otherwise stated)

Particulars	Equity Share Capital	Retained Earnings	Total Equity attributable to equity holders of the company
Balance as on 01.01.2023	223,090,900.00	(53,323,077.50)	169,767,822.50
Net Profit/(Loss) for the year		130,976,082.36	130,976,082.36
Actuarial Gain/(Loss) on Post-Employment Benefits		1,869,566.97	1,869,566.97
Balance as on 31.12.2023	223,090,900.00	79,522,571.83	302,613,471.83
Balance as on 01.01.2024	223,090,900.00	79,522,571.83	302,613,471.83
Payment of Dividend	-	(23,000,000.00)	(23,000,000.00)
Actuarial Gain/(Loss) on Post-Employment Benefits		358,261.06	358,261.06
Profit for the period	-	61,451,644.33	61,451,644.33
Balance as of December 31, 2024	223,090,900.00	118,332,477.22	341,423,377.22

For Dilli Yok & ASSOCIATES
Chartered Accountants
FRN: CRC2625


CA Dilli Ram Bista
Membership No. 542831
Place: Thimphu



For Thimphu TechPark Limited


Chairman


Chief Executive Officer

THIMPHU TECHPARK LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024
(All figures in Bhutanese Ngultrums unless otherwise stated)

Particulars	As at 31 DEC 2024	As at 31 DEC 2023
Cash flows from operating activities (indirect method)		
<i>Profit/ (Loss) Before Tax</i>	53,844,930.96	130,915,152.36
Adjustments for:	-	-
Depreciation + amortization	14,819,873.45	14,519,134.34
Interest expense	828,752.80	3,750,471.19
Less: Interest Income	(2,116,001.73)	-
<i>Cash from operations before working capital changes</i>	-	-
Increase in trade and other receivables	(748,505.67)	(50,887,997.77)
Increase in Other current asset	(463,849.57)	3,960,202.86
Increase Trade & Other Payables	6,262,779.78	23,661,625.68
Increase In employee Long Term Liabilities	12,591,574.20	-
Increase in Other Current Liabilities	1,668,406.90	-
Increase in Other Non-current Liabilities	295,233.73	-
Decrease in Lease Liability	(48,979.61)	-
<i>Cash generated from operations</i>	86,934,215.24	-
Income taxes Paid	-	-
Net cash from operating activities	86,934,215.24	125,918,588.66
Cash flows from investing activities		
Purchase of PPE (excl. ROU asset)	(24,312,257.07)	(1,604,183.08)
Acquisition of PPE - ROU asset	-	68,440.00
Increase in Short Term Investment	(1,881,401.08)	(20,000,000.00)
Gain/loss on other long term employee benefits	-	1,217,953.66
Net cash used in investing activities	(26,193,658.15)	(20,317,789.42)
Cash flows from financing activities		
Adjustment made to retained earnings	-	1,869,566.97
Dividends paid	(23,000,000.00)	-
Repayments of long-term borrowings & Interest	(26,411,852.24)	(81,290,517.09)
Decrease in non-current & Current liabilities	-	(27,669,170.80)
Interest Received on investment	2,116,001.73	-
Interest Paid on loan/Lease Liability	(828,752.80)	(3,794,991.69)
Net cash from financing activities	(48,124,603.31)	(110,885,112.61)
Net increase in cash and cash equivalents	12,615,953.78	(5,284,313.37)
Cash and cash equivalents at beginning of period	59,250,802.66	64,535,116.03
Cash and cash equivalents at end of period	71,866,756.43	59,250,802.66

For Dilli Yok & ASSOCIATES.
Chartered Accountants
FRN: CRC2625

for Thimphu TechPark Limited


CA Dilli Ram Bista
Membership No.: 542831
Place: Thimphu




Chairman


Chief Executive Officer

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

THIMPHU TECHPARK LIMITED THIMPHU, BHUTAN

Schedule forming part of the financial statements for the year ended 31st Dec. 2024.

NOTE 1: Accounting policies, judgements and estimates

1.1 General Information

Thimphu TechPark Limited is a 100% DHI Owned Company. It was initially incorporated on 24 August 2009 as a joint venture between Asset Property Group (APG) of Singapore owning 74% and DHI owning 26%, to Design, Build, Finance, Own, Operate and Transfer (DBFOOT) Bhutan's first IT Park. The IT Park started its commercial operations on 7th May 2012. On 29th October 2014, DHI assumed full ownership of TTPL after APG decided to exit from the partnership and transferred its shares to DHI.

TTPL was established to provide opportunities for innovation and development and promote the growth of IT industry in Bhutan. Currently, the Park hosts international IT/ITES companies such as ScanCafe, iMerit and 314e from USA, SELISE from Switzerland, Astrora Tech from India and Green E-Integrated from Netherlands and few domestic companies employing more than 800 Bhutanese youth. TTPL too operates Bhutan Innovation and Technology Centre that provides with incubation space to foreign companies and Bhutanese startups to run a pilot operation to test the opportunities on behalf of Government Technology Agency. TTPL too has state of art Information Access Centre (IAC) that houses Training Hall, Digital training room, AI Development Centre, Video Conferencing Hall and Admin Office.

From 2019 onwards, in line with the DHI Roadmap 2.0, the company has taken steps to evolve as an IT services provider – catering to companies within DHI Group as well as other clients. The company now focuses on becoming the Centre of Excellence for IT and will consolidate the Group's IT services and resources (including the data centres) and replace all legacy systems and applications with up-to-date applications.

As a result, the company has now become the biggest software company in Bhutan with close to 90 employees and provides IT and IT enabled services such as custom software development, mobile and web-based applications, and implementing ERP solutions (SAP and IntegraSuite) to DHI Companies as well as government agencies, and other independent agencies.

The company is incorporated under the companies Act of Kingdom of Bhutan as a non-listed public limited company. Druk Holding & Investments Limited is the sole owner of the Company.

All significant operations take place within Bhutan. The Company is a limited liability company incorporated and domiciled in Bhutan. The address of its principal place of business is Babesa, Thimphu, Bhutan.

1.2 Statement of compliance with BAS 2020

The financial statements have been prepared in accordance with Bhutanese Accounting Standard 2020 (BAS 2020)

NOTE 2: Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial statements of the Thimphu TechPark Limited (a Company) have been prepared in accordance with Bhutanese Accounting Standards (BAS) issued by Accounting and Auditing Standard Board of Bhutan (AASBB) and the relevant provisions of The Companies Act of Kingdom of Bhutan 2016 including the Accounting Standard Rules for Companies in Bhutan, 2012. The said financial statements have been prepared on the accrual basis of accounting with the historical cost convention and going concern basis except as stated otherwise in the Financial Statements.

The preparation of the Financial Statements is in conformity with BAS that requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the DHI Group's accounting policies and the reported amounts of revenue, expenses, assets and liabilities may differ from the estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

- **Fixed Assets:** Fixed assets are depreciated over the estimated useful life. Critical judgments are expected for period of use, condition of the asset, technological advances, regulation, and residual values.
- **Actuarial valuation of employee benefits:** Expected uptake of the gratuities and the discount rate used in the valuation.
- **Income:** Revenue is determined on the basis of the percentage of completion of contracts and the likely outcome of the contract.
 - *Rental charges for the tenants, escalated with the terms of the TTPL as per its contract and negotiation.*
 - *Income on training is recognized as and when it is conducted throughout the year.*
 - *Information Technology Service relates to service contracts entered by TTPL with various companies for providing them service relating to the field of Information Technology.*

The functional currency and presentation are in the Bhutanese Ngultrum.

2.2 Critical accounting judgments and key sources of estimation uncertainty

In application of accounting policies as described below, the Company has made judgments and estimations that have significant impact on the amounts stated in the financial statements.

There are following *sources of estimation uncertainties*:

In determining present value of retirement benefits obligations, estimations of future salary levels and discount rates were made by the actuarial while those represent high uncertainty in the conditions of financial market.

2.3 Application of standards, interpretations and their amendments in the financial year.

In the financial year 2022, the TTPL applied BFRS 9 Financial Instruments for the first time while, BFRS 16 Lease has been applied retrospectively from 2020. The BAS 40 Investment property was measured through fair value being determined by Construction Development Corporation Limited. However, TTPL has decided to retrospectively apply cost model to measure the value of the Investment properties effective from 2012 in line with DHI's directives.

2.4 Segment Reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

2.5 Restatement of Final Accounts

Restatement of an Accounts is done or necessary when it is determined that a previous Financial Statements contained a "Material" inaccuracy, which results from accounting mistakes, misrepresentation, or simple clerical errors etc. It is an act of revising one or more of a company's previous financial statement to correct an error. In 2023, statement of financial position, statement of comprehensive income, statement of cash flow and statement of changes in equity has been restated due change in accounting policy of valuation model of investment property from fair value to cost model, re-determination of BITS revenue due to closure of the project, application of right of use of assets policy as introduced in BFRS 16.

2.6 Consolidated Financial Statements

The financial statements of a DHI group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity as per BFRS -10.

The financial statements of the Group companies are consolidated on a line-by-line basis. Significant intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. These financial statements are prepared by applying uniform accounting policies in use at the Group.

The financial statements of subsidiaries are consolidated from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the DHI Group.

2.7 Offsetting Financial Instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Company currently has no transaction came out for the offsetting of financial instruments.

2.8 Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less depreciation and impairment, if any, Cost includes purchase price, taxes and duties, labor cost, direct financing costs, direct overheads for self-constructed assets, borrowing costs, other direct costs incurred up to the date the asset is ready for its intended use including initial estimate of dismantling and site restoration cost. The PPE Net value has increased from Nu. 64,164,830.78 to Nu. 81,316,443.27 due to the additional purchase of Computers and Office equipment and received of grant assets from NIA (National Information Society Agency), Korea.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All Other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on plant and other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Assets Class	Useful Life
Plant & machinery, motor vehicle and other equipment	05 - 20 years
Furniture and fixtures	07 - 10 years
Computers, accessories and office equipment	03 - 07 years
Building & civil structure - permanent	30 - 40 years

The residual value of Plant & Machinery and Motor Vehicle has been assessed as 5%. Other assets are assessed to have no residual value. The assets' useful lives and residual values are reviewed by the company, and adjusted if appropriate, at the end of each reporting period.

When parts of an item of Property, plant and Equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Other Income' or 'Other expenses' as the case may be, in the Statement of Comprehensive Income. TTPL currently has no disposals of any Fixed Assets.

2.9 Intangible Assets

Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of 3 to 10 years.

Costs associated with maintaining computer software programmes are recognized as an expense as incurred.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The software cost for the Tally installation amounted to approximately Nu. 197,000, and it was fully depreciated in the previous year. The entire cost of the software was accounted for as an expense over its useful life, and its book value has now been reduced to zero in the current financial records.

For the financial year 2024 there was no Intangibles assets on which Amortization charges account except for balance of Previous year.

2.10 Financial Assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's Current Assets comprise 'Trade & Other Receivables', 'Cash and Cash Equivalents' and 'Other Current Assets' in the balance sheet.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized only when:

- The rights to receive cash flows from the asset have been transferred, or
- The company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients (referred to as a pass-through arrangement).
- When the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized.

2.11 Trade and Other Receivables

Trade and other receivables are initially recognized at the fair value of the amounts to be received. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Receivables are reviewed regularly for impairment. With implementation of BAS 2020, companies are required to carry out aging Analysis and determine expected credit loss for which companies are required to make provision for such losses.

2.12 Cash and Bank or Cash and Cash Equivalents

In the Statement of Cash Flows, Cash and cash equivalents include cash in hand, bank balances and deposits, other short-term highly liquid investments with original maturities of three months or less and that are readily convertible to known amount of cash and cash equivalent, and which are subject to an insignificant risk of changes in value.

2.13 Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables and borrowings.

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

2.14 Trade and Other Payables

Trade and other payables are initially recognized at the fair value of the amounts to be paid. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.15 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a major capital project, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred. The principal borrowing amount is Nu. 24,300,754.24, which was liquidated on 18th March 2024.

2.16 Employee Benefits

a. Retirement Benefits

The costs of retirement benefits and present value of the retirement benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation and its long-term nature, retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Under Defined Contribution Scheme:

Employees belong to a Defined Contribution Benefit Plan managed by a separate entity. The company has no legal or constructive obligations to pay further contributions if the separate entity does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Under Defined Benefit Scheme:

The Company makes retirement payments based on the final salary and years of service.

The gratuity is accrued on the basis of actuarial valuation. Changes in service and interest cost are charged to Profit or loss under Statement of Comprehensive Income. All actuarial gains and losses arising from the defined benefit plan are recognized in Other Comprehensive Income.

b. Other Benefits

Other benefits such as Leave Travel Concession and Performance Based Variable Allowances of the income year are accrued only at year end without actuarial valuation except Leave Encashment which is provided for on the basis of actuarial valuation.

2.17 Provisions and Contingent Liabilities

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. A contingent liability is only disclosed in the notes to the account if an outflow of resources embodying economic benefits is possible.

2.18 Government Grant

The National Information Society Agency (NIA), Korea supported the establishment of an Information Access Centre (IAC) at TTPL to promote digital transformation and bridge the digital divide in Bhutan. NIA handed over infrastructure, including furniture, computers, and office equipment on 10th December 2024, while TTPL provided the venue and operate

the centre for next four years. With centre in place, both parties will now collaborate on education, research, and ICT initiatives. TTPL now is part of the Global IAC Network. Therefore, the assets received in kind will be depreciated over the four-year period.

The government grants are recognized in profit & Loss on a systematic basis over the periods in which the company recognizes as expenses the related costs for which grants are intended to compensate. The given grants are intended to compensate the acquisition of fixed assets.

The nature and extent of government grants recognized in the financial statements

SI #	Nature of grant	Amount of Grant	Grant income recognized in Profit & Loss	Deferred grant income presented in financial position
1	Grant for Acquisition of PPE	13,961,756.65	537,377.13	13,424,379.52

2.19 Comparative Information

Where necessary certain comparative information has been rearranged, regrouped and reclassified in order to provide a more appropriate basis for comparison. (*Refer notes to accounts for detail*)

***1 Power Charges from Tenants:** Bhutan Power Corporation Limited provides Thimphu TechPark with the power (electricity) and in turn the host institute TTPL distributes the power to its' tenants. The payment method we follow is that TTPL pays the bill to the BPC as the expenses and TTPL raise the invoice to its tenants which is booked as the income from the electricity from tenants.

***2 Training & Events Program:** Thimphu TechPark conducts trainings, workshops, competitions and seminars as a part of the mandate of Bhutan Innovation and Technology Centre. BITC partners with various stakeholders to conduct the trainings as well as we do the paid trainings bringing in the resource persons from the outside.

***3 Lease Rental income:** The Royal Government of Bhutan through Government Technology Agency then DITT under Ministry of Information and Communication have awarded a contract to company to design, build, finance, own, operate and transfer (DBFOOT), an Information Technology Park consisting of 50,000 SFT on 5 acres of land at Babesa, Thimphu. The 5 acres of Land provided by GovTech Agency is on lease for an initial period of 30 years and shall be renewed automatically for two consecutive times for a period of 30 years each.

In terms of the contract awarded by GovTech Agency, out of 50,000 SFT of Commercial Space, 10,000 SFT of the space is leased by the company to GovTech Agency for an initial period of 30 years with an automatic renewal for the same tenure up to a maximum of 90 years including initial lease period. The said premise is leased to the GovTech Agency for the purpose of establishing an incubation facility, a shared technology centre and a data centre. Accordingly, the company handed over the aforesaid premises of 10,000 SFT to GovTech Agency in October 2011. The aggregate fixed lease amount of USD 2 million (equivalent to Nu 104,000,000) toward lease of the 10,000 SFT of space has been received from GovTech Agency for the above- mentioned total lease period of 90 years and the same

has been disclosed as Lease Security Deposit under Non-Current & Current Liabilities.

A. Defined Contribution Plan – Provident Fund

Qualifying employees are members of a defined contribution plan operated by the National Pension and Provident Fund. The Company matches employee contributions to the fund. The only obligation on the Company is to make the contribution monthly.

Provident Fund	For The year ended of 31 Dec 2024	For The year ended of 31 Dec 2023
Total cost of contributions	4,115,186.00	3,797,408.00

Actuarial Valuation Reports – Defined Benefit Plans

Valuation in respect of Employees' Gratuity, Transfer Grant, Travel Allowance and Carriage Charges for the year 2024 has been carried out by independent actuary, M/s. Druk Infinity Consulting (Consultant), Bhutan. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured.

Rationale for actuarial assumptions and professional opinion

As actuarial valuation is a projection of future assets and liabilities, it is heavily reliant on assumptions. Thus, it is critically important that the set of assumptions be scrutinized thoroughly as to represent as far as possible, the most probable fund position in the long run. As per BAS 19, *"actuarial assumptions are an entity's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits"*. Therefore, the ultimate responsibility for ensuring the appropriateness of the assumptions to the Plan is the responsibility of TTPL and has been duly informed to that effect.

We are of the opinion that the assumptions used are neither imprudent nor excessively conservative and mutually compatible as required by paragraphs 74 and 75 of BAS 19.

B. Discount rate

BAS 19 stipulates that the rate used to discount post-employment benefit obligations shall be determined by reference to market yields as the end of the reporting period on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds shall be used. The currency and term of bonds shall be consistent with that of the currency and estimated term of the post-employment benefit.

As there in neither actively traded bonds in the market nor a long-term yield curve for the economy, the discount rate has been derived considering the bonds listed in the Royal Securities Exchange of Bhutan Ltd. and deposit rates for 7 – 10 years in the banks. In consultation with TTPL, the above discount rate has been used which is reasonable and consistent with that of other reporting entities.

C. Salary growth rate

As per para 84 of BAS 19, *"estimates of future salary increases take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market."* The assumed salary growth rate reflects expectation of salary increment over the long-term inclusive of annual increment and major salary revision every 3 – 5 years.

D. Increase in cost of transportation

As per paras 75 – 80 and para 88 of BAS 19, “actuarial assumptions reflect future benefit changes that are set out in the formal terms of a plan (or a constructive obligation that goes beyond those terms) at the end of the reporting period.” The increase in cost of **Carriage charge** in the future has been made consistent with the inflation expectation for Bhutan in the near future.

E. Mortality rate

As Bhutan does not have a standard mortality table adopted by regulation, we have relied on the Indian Assured Life Mortality (IALM) 2012 – 14 which is the best available proxy.

F. Employee turnover rate

The employee turnover rate used in the valuation was prescribed by TTPL based on their experience and future expectation.

G. Gratuity

Qualifying employees are members of a defined contribution plan operated by the National Pension and Provident Fund. The Company matches employee contributions to the fund. The only obligation on the company is to make the contribution monthly. Qualifying employees are members of a defined benefit plan sponsored by the Company. A separate fund is maintained to cover the future liability for payments.

RISK EXPOSURES

Valuing a defined benefit plan is fundamentally an exercise in estimating the future cost of the benefit, the exact value for which only time will reveal. It relies on a set of financial and demographic assumptions along with prevalent

Regulatory framework in valuing liability. Thus, the Plan is exposed to a variety of risk as discussed herein.

- 1. Discount rate risk:** The present value of the defined benefit obligation is heavily dependent on the discount rate. As such, the quantity is highly sensitive to the discount rate and a slight decrease in this assumption parameter will result in an ultimate cost that is significantly higher and vice versa.
- 2. Salary growth risk:** As the Gratuity benefit is a final-pay scheme, the actual cost of the plan will depend on the growth rate of salary over the years. As such, a higher- than-expected growth in salary will result in a cost which is higher than the estimate. Similarly, a slower salary growth will result in actual liability being lower than projected.
- 3. Employer turnover risk:** Employer turnover experience of TTPL will have a significant impact on the design of the benefit and consequently the overall cost of the plan. Furthermore, deviation in actual experience from assumption would also lead to change in the liability of the plan.
- 4. Demographic risk:** In the absence of credible scheme-specific data, the IALM 2006- 08 mortality rate has been used in projecting the benefits. Thus, deviation of the actual experience from the rates used will result in change in the cost of the plan.
- 5. Regulatory risk:** The present value of the defined benefit obligation has been arrived at using the current set of regulatory frameworks. As such, any change in the relevant

rules and regulations concerning Gratuity benefit such as increase in ceiling, introduction of floor, change in vesting period or benefit accrual rate would eventually alter the liability.

6. **Investment risk:** As the Gratuity scheme is funded, there is a risk that the fund's investment is not able to earn the assumed rate of return. In such a situation, the ultimate cost of the plan will be affected.
7. **Asset-liability mismatch risk:** This risk arises from the unavailability of investments suitable and commensurate with the nature of liability, especially in the absence of well-developed capital market.
8. The key valuation results as at 31st December 2024 are summarized in the following tables.

STATEMENT OF FINANCIAL POSITION

Nu.	31-Dec-24	31-Dec-23
Present value of defined benefit obligation	7,914,342.42	7,946,463.60
Fair value of plan assets	9,350,964.54	6,529,108.38
Net defined benefit assest/(liability)	1,436,622.12	(1,417,355.22)

EXPENSES RECOGNIZED IN PROFIT & LOSS

Nu.	31-Dec-24	31-Dec-23
(a) Statement of profit or loss	2,161,563.94	1,814,069.15
(b) Other comprehensive income	(3,598,186.06)	(396,713.82)

BASIS OF VALUATION

KEY FEATURES OF THE PLAN

Parameter	Description
Type of plan	Defined benefit
Employee's contribution	Nil
Employer's contribution	100%
Reference salary	Last basic pay
Normal retirement age	58 60 years*
<i>Note: Retirement age for the contract employees as per the contractual term</i>	
Benefit payable on	Retirement/resignation/death while in service
Form of benefit	Lump sum
Vesting period	4 years for resignation and none for rest
Service definition	Total service rounded to nearest integer
Benefit formula	Reference salary x service years
Benefit floor	None
Benefit ceiling	None

MEMBERSHIP DATA

	% Change	31-Dec-2024	31-Dec-2023
Members considered for valuation	23.88%	83	67
Average age (years)	-5.27%	31.86	33.63

Monthly salary (Nu.)	Average	0.86%	31,192.43	30,925.96
	Total	24.95%	2,588,972	2,072,039.25
Past service (years)	Average	-18.69%	3.31	4.07
	Total	0.73%	275	273

FINANCIAL ASSUMPTIONS

Parameter	31-Dec-2024	31-Dec-2023
Discount rate	8.50%	8.50%
Salary growth rate	10.00%	10.00%

DEMOGRAPHIC ASSUMPTIONS

Parameter	31-Dec-2024	31-Dec-2023
Mortality rate	100% of IALM (2012-14)	
Employee turnover rate	5.00%	5.00%

H. Travel Allowance Liability**RISK EXPOSURES:**

Valuing a defined benefit plan is fundamentally an exercise in estimating the future cost of the benefit, the exact value for which only time will reveal. It relies on a set of financial and demographic assumptions along with prevalent regulatory framework in valuing liability. Thus, the Plan is exposed to a variety of risk as discussed herein.

- 1. Discount rate risk:** The present value of the defined benefit obligation is heavily dependent on the discount rate. As such, the quantity is highly sensitive to the discount rate and a slight decrease in this assumption parameter will result in an ultimate cost that is significantly higher and vice versa.
- 2. Salary growth risk:** As the Travel Allowance benefit is a final-pay scheme, the actual cost of the plan will depend on the growth rate of salary over the years. As such, a higher-than-expected growth in salary will result in a cost which is higher than the estimate. Similarly, a slower salary growth will result in actual liability being lower than projected.
- 3. Employer turnover risk:** Employer turnover experience of TTPL will have a significant impact on the design of the benefit and consequently the overall cost of the plan. Furthermore, deviation in actual experience from assumption would also lead to change in the liability of the plan.
- 4. Demographic risk:** In the absence of credible scheme-specific data, the IALM 2006- 08 mortality rate has been used in projecting the benefits. Thus, deviation of the actual experience from the rates used will result in change in the cost of the plan.
- 5. Regulatory risk:** The present value of the defined benefit obligation has been arrived at using the current set of regulatory frameworks. As such, any change in the relevant rules and regulations concerning Travel Allowance benefit such as increase in ceiling, introduction of floor, change in vesting period or benefit accrual rate would eventually alter the liability.
- 6. Liquidity risk:** Finally, there is a risk that TTPL may not be able to honor the Travel Allowance payments in the short-run due to liquidity constraints.
- The key valuation results as at 31st December 2024 are summarized in the following tables.

Statement of financial position

<i>Nu.</i>	31-Dec-2024	31-Dec-2023
Present value of defined benefit obligation	624,875.01	618,327.52
Fair value of plan assets	-	-
Net defined benefit asset/(liability)	(624,875.01)	(618,327.52)

Expenses recognized in PROFIT & LOSS

<i>Nu.</i>	31-Dec-2024	31-Dec-2023
(a) Statement of profit or loss	230,679.87	264,648.44
(b) Other comprehensive income	83,225.58	(268,991.84)

KEY FEATURES OF THE PLAN

Parameter	Description
Type of plan	Defined benefit
Employee's contribution	Nil
Employer's contribution	100%
Reference salary	Last basic pay
Normal retirement age	58 60 years*
<i>Note: Retirement age for the contract employees as per the contractual term</i>	
Benefit payable on	Retirement/resignation/death while in service
Form of benefit	Lump sum
Vesting period	4 years for resignation and none for rest
Service definition	Total service rounded to nearest integer
Benefit formula	Reference salary x service years
Benefit floor	None
Benefit ceiling	None

MEMBERSHIP DATA

		% Change	31-Dec-2024	31-Dec-2023
Members considered for valuation		23.88%	83	67
Average age (years)		-5.27%	31.86	33.63
Monthly salary (Nu.)	Average	0.86%	31,192.43	30,925.96
	Total	24.95%	2,588,972	2,072,039.25
Past service (years)	Average	-18.69%	3.31	4.07
	Total	0.73%	275	273

FINANCIAL ASSUMPTIONS

Parameter	31-Dec-2024	31-Dec-2023
Discount rate	8.50%	8.50%

Salary growth rate	10.00%	10.00%
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DEMOGRAPHIC ASSUMPTIONS

Parameter	31-Dec-2024	31-Dec-2023
Mortality rate	100% of IALM (2012-14)	
Employee turnover rate	5.00%	5.00%

I. Transfer Grants Liability**RISK EPOSURES:**

Valuing a defined benefit plan is fundamentally an exercise in estimating the future cost of the benefit, the exact value for which only time will reveal. It relies on a set of financial and demographic assumptions along with prevalent regulatory framework in valuing liability. Thus, the Plan is exposed to a variety of risk as discussed herein.

- 1. Discount rate risk:** The present value of the defined benefit obligation is heavily dependent on the discount rate. As such, the quantity is highly sensitive to the discount rate and a slight decrease in this assumption parameter will result in an ultimate cost that is significantly higher and vice versa.
- 2. Salary growth risk:** As the Transfer Grant benefit is a final-pay scheme, the actual cost of the plan will depend on the growth rate of salary over the years. As such, a higher-than-expected growth in salary will result in a cost which is higher than the estimate. Similarly, a slower salary growth will result in actual liability being lower than projected.
- 3. Employer turnover risk:** Employer turnover experience of TTPL will have a significant impact on the design of the benefit and consequently the overall cost of the plan. Furthermore, deviation in actual experience from assumption would also lead to change in the liability of the plan.
- 4. Demographic risk:** In the absence of credible scheme-specific data, the IALM 2006- 08 mortality rate has been used in projecting the benefits. Thus, deviation of the actual experience from the rates used will result in change in the cost of the plan.
- 5. Regulatory risk:** The present value of the defined benefit obligation has been arrived at using the current set of regulatory frameworks. As such, any change in the relevant rules and regulations concerning Transfer Grant benefit such as increase in ceiling, introduction of floor, change in vesting period or benefit accrual rate would eventually alter the liability.
- 6. Liquidity risk:** Finally, there is a risk that TTPL may not be able to honor the Transfer Grant payments in the short-run due to liquidity constraints.
- The key valuation results as at 31st December 2024 are summarized in the following tables.

Statement of financial position

Nu.	31-Dec-2024	31-Dec-2023
Present value of defined benefit obligation	624,875.01	618,327.52
Fair value of plan assets	-	-
Net defined benefit asset/(liability)	(624,875.01)	(618,327.52)

Expenses recognized in PROFIT & LOSS

Nu.	31-Dec-2024	31-Dec-2023
(a) Statement of profit or loss	230,679.80	264,648.44
(b) Other comprehensive income	83,226.40	(268,991.84)

KEY FEATURES OF THE PLAN

Parameter	Description
Type of plan	Defined benefit
Employee's contribution	Nil
Employer's contribution	100%
Parameter	Description
Reference salary	Last basic pay
Normal retirement age	58 60 years*
<i>Note: Retirement age for the contract employees as per the contractual term</i>	
Benefit payable on	Retirement/resignation/death while in service
Form of benefit	Lump sum
Vesting period	4 years for resignation and none for rest
Service definition	Total service rounded to nearest integer
Benefit formula	Reference salary x service years
Benefit floor	None
Benefit ceiling	None

MEMBERSHIP DATA

		% Change	31-Dec-2024	31-Dec-2023
Members considered for valuation		23.88%	83	67
Average age (years)		-5.27%	31.86	33.63
Monthly salary (Nu.)	Average	0.86%	31,192.43	30,925.96
	Total	24.95%	2,588,972	2,072,039.25
Past service (years)	Average	-18.69%	3.31	4.07
	Total	0.73%	275	273

FINANCIAL ASSUMPTIONS

Parameter	31-Dec-2024	31-Dec-2023
Discount rate	8.50%	8.50%
Salary growth rate	10.00%	10.00%

DEMOGRAPHIC ASSUMPTIONS

Parameter	31-Dec-2024	31-Dec-2023
Mortality rate	100% of IALM (2012-14)	
Employee turnover rate	5.00%	5.00%

J. Employees' Carriage Charges Liability

RISK EXPOSURES:

Valuing a defined benefit plan is fundamentally an exercise in estimating the future cost of the benefit, the exact value for which only time will reveal. It relies on a set of financial and demographic assumptions along with prevalent regulatory framework in valuing liability. Thus, the Plan is exposed to a variety of risk as discussed herein.

Discount rate risk

The present value of the defined benefit obligation is heavily dependent on the discount rate. As such, the quantity is highly sensitive to the discount rate and a slight decrease in this assumption parameter will result in

1. An ultimate cost that is significantly higher and vice versa.
2. **Employer turnover risk:** Employer turnover experience of TTPL will have a significant impact on the design of the benefit and consequently the overall cost of the plan. Furthermore, deviation in actual experience from assumption would also lead to change in the liability of the plan.
3. **Demographic risk:** In the absence of credible scheme-specific data, the IALM 2006- 08 mortality rate has been used in projecting the benefits. Thus, deviation of the actual experience from the rates used will result in change in the cost of the plan.
4. **Regulatory risk:** The present value of the defined benefit obligation has been arrived at using the current set of regulatory frameworks. As such, any change in the relevant rules and regulations concerning Carriage charge benefit such as increase in ceiling, introduction of floor, change in vesting period or benefit accrual rate would eventually alter the liability.
5. **Liquidity risk:** Finally, there is a risk that TTPL may not be able to honor the Carriage charge payments in the short-run due to liquidity constraints.
6. The key valuation results as at 31st December 2024 are summarized in the following tables.

Statement of financial position

Nu.	31-Dec-2024	31-Dec-2023
Present value of defined benefit obligation	569,417.11	555,624.54
Fair value of plan assets	-	-
Net defined benefit asset/(liability)	(569,417.11)	(555,624.54)

EXPENSE RECOGNISED IN PROFIT & LOSS

<i>Nu.</i>	31-Dec-2024	31-Dec-2023
(a) Statement of profit or loss	186,874.14	275,844.13
(b) Other comprehensive income	102,630.78	(756,477.62)

KEY FEATURES OF THE PLAN**MEMBERSHIP DATA**

		% Change	31-Dec-2024	31-Dec-2023
Members considered for valuation		23.88%	83	67
Average age (years)		-5.27%	31.86	33.63
Monthly salary (Nu.)	Average	0.86%	31,192.43	30,925.96
	Total	24.95%	2,588,972	2,072,039.25
Past service (years)	Average	-18.69%	3.31	4.07
	Total	0.73%	275	273

FINANCIAL ASSUMPTIONS

Parameter	31-Dec-2024	31-Dec-2023
Discount rate	8.50%	8.50%
Salary growth rate	10.00%	10.00%

DEMOGRAPHIC ASSUMPTIONS

Parameter	31-Dec-2024	31-Dec-2023
Mortality rate	100% of IALM (2012-14)	
Employee turnover rate	5.00%	5.00%

2.20 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered or goods supplied, stated net of discounts, returns and taxes. The company recognizes revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the company.

Services Contract: The Company recognizes the revenue when the entity satisfies a performance obligation identified in the contract by transferring promised services (i.e. an asset) to a customer and the amount of revenue can be reliably measured and it is probable that future economic benefits will flow. An asset is assumed to be transferred to customer when (or as) the customer obtains control of the asset. Incremental cost incurred by the company for obtaining as contract with customer is recognized as assets if the recovery of such cost is expected. Such assets are amortized on a systematic basis that is consistent with the transfer to the customer of the services to which the asset relates.

Bilateral contracts between two entities in the same line of business for non-monetary

exchange of services facilitate to its customers or potential customers are not accounted for as revenue as per BFRS 15. Any balance against such exchange contract not settled during the same financial year are accounted for as payable/receivable and included under other current assets/liabilities in statement of financial position.

The revenue recognizes, if one of the following criteria as enunciated in **BFRS 15 – Revenue from Contract with Customer** is met:

- 2.20.1 The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- 2.20.2 The entity's performance creates or enhances an asset (for example: Work-in-Progress) that the customer controls as the asset is created or enhanced, or
- 2.20.3 The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Earnings on contracts are determined using the percentage-of-completion method. Earnings are not recognized until the outcome can be reliably estimated. The Company uses its professional judgment to assess both the physical completion and the forecast financial result of the contract. Provision is made for estimated future losses on the entire contract from the date it is first recognized that a contract loss may be incurred.

2.21 Interest Income

Interest Income is recognized when the right to receive payment is confirmed. Interest income is one of total, the operating revenue of the Company. The Company recognized the Interest Income from bank on the Short-term Fixed Deposit, interest on subscription of Commercial papers from Royal Security Exchange of Bhutan Limited, government Loan Interest waiver benefits for company on accrual basis and Employees' Gratuity accounts interest from Royal Insurance Corporation of Bhutan Limited as on closing date. Accordingly, the principle enunciated under **BFRS 15 – Revenue from Contract with Customers** is not applicable to the company.

2.22 Foreign Currency Transactions

The functional and presentation currency represent, or items included in the Financial Statements of the Company as on 31st December are measured using the currency of the primary economic environment in which the Company operates ('functional currency').

The Financial Statements of the Company are presented in Bhutanese Currency (Nu.), which is also the functional and presentation currency of the Company. The transactions and balances with the foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign exchange Gain/(Loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in "Statement of Comprehensive Income". All other foreign exchange Gain/ (Loss) are presented in the Statement of Profit and Loss on a net basis within other income/ (expense).

2.23 Current and Deferred Income Tax

The Company has three Business operating licenses under same taxpayer number. Out of three licenses, two licenses have been granted tax holiday as a part of incentives by the Department of Revenue and Customs as detail below in table:

SI #	Type	License No	Approval				
			Date	No#	Duration		Extendable till
					From	To	
1	To design, build, finance, own operate and transfer (DBFOOT) and IT Park	1025199	13-Jul-18	RRCO/TH/ Tax /Tax Holiday /Incentives/ 18 /2018/124	1 Jun '18	20 Jun '23	June '28
2	IT Enabled Services	1042991	9 Sep '20	RRCO/TH/ Tax /Tax Holiday /Incentives -04 /2020/497	1 Oct '19	30 Sep22	Sep 2024
3	Consultancy - Business & Mgmt., Research & Development, Software and Hardware	1032914	<u>No Tax Holiday</u>				

Tax Holiday shall apply to exemption from Income Tax only (Core Income). TDS (including salary and health contribution if applicable) on payment must be deducted and deposited within the time frame.

The *tax expense* for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income. In this case, the tax is also recognized in other comprehensive income.

Current tax assets and liabilities for the current period are measured at the amount expected to be recoverable from or payable to the Income tax authority based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted on the reporting date by the Income Tax Authority.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, except when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the Company intends to settle its current tax assets and liabilities on net basis. Management evaluates positions taken in income tax returns with respect to situations in which applicable income tax regulation is subject to interpretation.

The income tax liabilities are recognized when, despite the Company's belief that its income tax return positions are supportable, the Company believes, it is more likely than not, based on the technical merits, that certain positions may not be fully sustained upon review by income tax authorities. Benefits from tax positions are measured at the single best estimate of the most likely outcome.

At each Statement of Financial Position date, the tax positions are reviewed, and to the extent that new information becomes available which causes the Company to change its judgment regarding the adequacy of existing income tax liabilities, such changes to income tax liabilities are duly recognized in income tax expense in the year in which such determination is made.

Interest and penalties, if any, related to accrued liabilities for potential tax assessments are included in income tax charge for the year in which the assessment is completed.

2.24 Earnings Per Share

The Company presents the basic and diluted EPS data for its ordinary shares. Basic EPS is computed by dividing the net profit for the year attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is computed by adjusting the net profit for the year attributable to the ordinary shareholders and by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Note 2.24 Disclosure related to KMP & Related Parties

1. Key Management Personnel (KMP)

a) Summary of Compensation paid to the KMP (Chief Executive Officer)

Particulars	2024	2023
Salary & Allowances	2,726,664.00	2,182,572.00
Sitting Fees	64,000.00	48,000.00
Provident Fund Contribution	173,496.00	166,608.00
Expenditures during the year (e.g. Inception fees, Travel, food/room etc.)	95,777.00	
Other Benefits (LTC, leave, PBVP)	98,538.00	625,777.10
Total Amount	3,158,475.00	3,022,957.10

b) Summary of compensation paid to Board of Directors (Inclusive of CEO)

Particulars	2024	2023
Director's Sitting Fees (Board & Sub- Board	394,000.00	254,000.00
Director's Training (Inclusive of workshop, seminar, etc.)		
Director's DSA	2,500.00	-
Total Amount	396,500.00	254,000.00

1) List of Directors

Name of Board director	Date of Joining	Status
Mr. Jacques Von Benecke	28 th March,2024	Active Member
Ms. Audrey Low	28 th March,2024	Active Member
Dr. Pema Dorji	28 th March,2024	Active Member
Mr. Karma Sonam	28 th March,2024	Active Member
Mr. Tashi Penjor	28 th March,2024	Active Member
Mr. Tenzin	28 th March,2024	Active Member

Reimbursement of expenses incurred by related parties for and behalf of the Company and vice-versa, and the related outstanding amounts have not been included in the above disclosures.

2. Transaction with Group Companies (Related Party Disclosure)

SI#	Name of Related Party	Relationship	Nature of Transaction with Related Party	Transaction Amount [in Nu.]	Receivable/ (Payable) in Nu
1	BBPL	Fellow Subsidiary	a. Service Revenue	889,875.00	475,000.00
2	BOBL	Fellow Subsidiary	a. Balance (as per Books CD Acc. 100925841)	7,1864,380.43	
			b. Balance (as per Books CD Acc. 202454401)	0.00	
			c. Service Revenue	4,528,589.60	161,000.00
			d. Bank Charges and fees	35,564.10	
3	BPCL	Fellow Subsidiary	a. Electricity Charges	4,130,980	(470,820.00)
			c. Service Revenue	820,352.64	454,608.97
4	BTL	Fellow Subsidiary	a. Communication, internet & telephone	1,296,667.34	69,547
			d. Service Revenue	3,754,455.46	-
5	CDCL	Fellow Subsidiary	a. Service Revenue	2,048,903	-
			c. Inter Group Consultancy Fees		-
6	Dagachhu Hydro	Fellow Subsidiary	a. Service Revenue	446,775	37,231.25
7	Dungsum DCCL	Fellow Subsidiary	a. Service Revenue	2,148,233.32	
8	Dungsum Polymer	Fellow Subsidiary	a. Service Revenue	645,512.04	34,636.42
9	DGPC	Fellow Subsidiary	a. Retention monies receivable	445,031.69	
			b. Service Revenue	9,547,570.79	601,635.34
10	Druk Air	Fellow Subsidiary	a. Service Revenue	2,032,443.09	(34,168.00) 94,907.94

SI #	Name of Related Party	Relationship	Nature of Transaction with Related Party	Transaction Amount [in Nu.]	Receivable/ (Payable) in Nu
11	DHI	Holding Company	a. Equity Shares held by DHI	223,090,900	
			b. Inter group Deposit		-
			c. Intergroup Corporate Guarantee Fees	220,959.73	-
			d. Inter group Brand management Fees		-
			e. Service Revenue	12,981,261.06	8,048,900.00
12	Koufuku	Fellow Subsidiary	a. Service Revenue	10,000.00	
13	NRDCL	Fellow Subsidiary	a. Service Revenue	2,936,762.20	153,211.00
14	SMCL	Fellow Subsidiary	a. Service Revenue	3,071,895.32	-
15	STCBL	Fellow Subsidiary	a. Service Revenue	229,875.00	90,000.00
			b. Running & Maintenance of Vehicle	238,051.13	-
16	Tangsibji Hydro	Fellow Subsidiary	a. Service Revenue	2,391,207.52	50,731.25
17	BHSL	Fellow Subsidiary	a. Service Revenue	527,775.00	50,731.25

The disclosures given above have been reconciled on the basis of information available with the companies and relied upon by the auditor.

NOTES TO ACCOUNTS

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NOTE 7A: INVESTMENT PROPERTY

Particulars	Gross Block/Cost			Depreciation/Amortization			Net Book Value 31.12.2024	Net Book Value 31.12.2024
	Opening 01-01-2024	Addition	Closing 31-12-24	Opening 01-01-2024	Addition	Closing 31-12-2024		
Investment Property								
Building - Block _I	268,420,868.98	-	268,420,868.98	79,076,007.72	6,710,521.69	85,786,529.41	182,634,339.57	189,344,861.26
Building - Block: II	22,096,870.30	-	22,096,870.30	3,215,526.42	552,421.74	3,767,948.16	18,328,922.14	18,881,343.88
Building - Day Care	3,278,462.75	-	3,278,462.75	2,294,923.46	327,846.29	2,622,769.75	655,693.00	983,539.29
Total	293,796,202.03	-	293,796,202.03	84,586,457.60	7,590,789.72	92,177,247.32	201,618,954.71	209,209,744.43

NOTE 7B: PROPERTY, PLANT & EQUIPMENT & INTANGIBLE ASSETS

Particulars	Opening 01-01-2024	Addition	Closing 31-12 '24	Opening 01-01 '24	Addition	Closing 31-12 '24	Net Book Value 31.12.24	Net Book Value 31.12.23
Building Block II	56,124,808.92		56,124,808.92	6,391,190.81	1,403,120.16	7,794,310.97	48,330,497.95	49,733,618.11
Plant & Machinery	14,391,054.00		14,391,054.00	11,880,484.83	607,395.54	12,487,880.37	1,903,173.63	2,510,569.17
Furniture & Fixture	3,550,582.80		3,550,582.80	1,587,830.48	350,275.33	1,938,105.81	1,612,476.99	1,962,752.32
Office Equipment	9,088,945.35	6,721,553.43	15,810,498.78	5,131,145.23	1,945,360.84	7,076,506.07	8,733,992.71	3,957,800.12
Computer & Peripherals	10,511,459.44	3,628,947.00	14,140,406.44	7,967,287.37	1,683,159.38	9,650,446.75	4,489,959.69	2,544,172.07
Motor Vehicle	6,104,643.00		6,104,643.00	2,906,147.21	610,464.29	3,516,611.50	2,588,031.50	3,198,495.79
Store Room	147,800.00	-	147,800.00	52,316.66	9,853.32	62,169.98	85,630.02	95,483.34
Waste House	204,514.00	-	204,514.00	42,578.52	13,634.22	56,212.74	148,301.26	161,935.48
Software's	197,905.00	-	197,905.00	197,905.00	4.49	197,905.00	-	4.49
Total	100,321,712.51	10,350,500.43	110,672,212.94	36,156,886.11	6,623,267.57	42,780,149.19	67,892,063.75	64,164,830.89

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NOTE 7B: Grant Assets

Particulars	Opening 01-01'24	Addition	Closing 31-12 '24	Opening 01-01'24	Addition	Closing 31-12 '24	Net Book Value 31.12.2024	Net Book Value 31.12.2023
Furniture's	0	614,984	614,984	-	24,852	24,852	590,132	-
Furniture's	0	1,428,255	1,428,255	-	100,760	100,760	1,327,495	-
Computers	0	7,593,181	7,593,181	-	145,623	145,623	7,447,558	-
Heating & Cooling system	0	1,669,800	1,669,800	-	105,220	105,220	1,564,580	-
LED Light	0	360,000	360,000	-	22,685	22,685	337,315	-
Socket	0	240,000	240,000	-	15,123	15,123	224,877	-
Office equipment	0	302,037	302,037	-	12,619	12,619	289,418	-
Office equipment	0	1,753,500	1,753,500	-	110,494	110,494	1,643,006	-
Totals	-	13,961,756.65	13,961,756.65	-	537,377.13	537,377.13	13,424,379.52	-

NOTE 7C: RIGHT-OF-USE-OF-ASSET

Particulars	Opening 01-01-2024	Addition	Closing 31-12-2024	Opening 0 1-01-2024	Addition	Closing 31-12-2024	Net Book Value 31.12.2024	Net Book Value 31.12.2023
Right-of-Use-of-Asset	2,053,181.97	-	2,053,181.97	980,964.00	68,439.04	1,049,403.04	1,003,778.93	1,072,217.97
Total	2,053,181.97	-	2,053,181.97	980,964.00	68,439.04	1,049,403.04	1,003,778.93	1,072,217.97

NOTE 7D: DEFERRED TAX ASSETS

Particulars	As at 31-12- 2024	As at 31- 12-2023
Opening Balance	(5,973,043.75)	(6,033,973.75)
Charged to Income Statement	7,606,713.37	60,930.00
Total	1,633,669.62	(5,973,043.75)

Particular	Carrying Amount	Tax Base	Temporary difference	Taxable Temporary difference	Deductible Temporary difference	DTL	DTA
Fixed Assets	269,511,018.00	265,223,074.30	(4,287,944.16)	(4,287,944.16)	-	(1,286,383.25)	
TA	624,875.01		624,875.01		624,875.01		187,462.50
Carriage Charge	569,417.11		569,417.11		569,417.11		170,825.13
Gratuity	7,914,342.42		7,914,342.42		7,914,342.42		2,374,302.73
Transfer grant	624,875.01		624,875.01		624,875.01		187,462.50
	279,244,528	265,223,074		(4,287,944.16)	9,733,509.55	(1,286,383.25)	2,920,052.87
Deferred tax (30%)				DTA Net			1,633,669.62

Carrying Amount: An amount at which an asset or liability which is recognized in the balance sheet after making necessary adjustment like depreciation and impairment.

Tax Base: Tax base of an asset or liability is the amount attributed to that asset or liability for tax purpose.

Tax Base of an asset: Is the amount that will be deductible for tax purpose against taxable economic benefit that will flow to an entity when it recovers the carrying amount of an asset.

Tax Base of Liability: It's a carrying amount, Less any amount that will be deductible for tax purpose in respect of that liability in the future periods.

NOTE 4: TRADE & OTHER RECEIVABLES

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Current		
Trade Receivables, Unsecured, Considered	109,181,013.60	109,931,405.00
Good Provision for Loss Allowance	(641,223.00)	(2,140,120.07)
Total	108,539,790.60	107,791,284.93

NOTE 5: CASH & CASH EQUIVALENTS

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Balances with Banks		
<i>In Current Accounts</i>		
Bank of Bhutan Ltd (A/c No 100925841)	71,864,380.43	57,315,495.56
Bank of Bhutan Ltd (A/c No 202454401)	-	950.00
Bhutan National Bank (A/c No 0100032525001)	1,000.00	1,817,836.97
Druk PNB Bank Ltd (A/c No 110210004440)	-	93,439.13
Cash in Hand	1,376.00	23,081.00
Total	71,866,756.43	59,250,802.66

NOTE 6: SHORT TERM INVESTMENT

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Financial Institution		
<i>Fixed Deposit</i>	41,881,401.08	40,000,000.00
Total	41,881,401.08	40,000,000.00

NOTE 7: OTHER CURRENT ASSETS

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Prepaid Expenses	113,021.24	179,633.94
An Advance Payments	111,853.43	75,919.57
Interest Accrued on FDA	925,719.14	1,138,046.25
Retention Monies (Assets)	731,667.69	64,309.89
Tax Deducted at Source [TDS] Receivable	103,041.03	83,764.35
Consumables & Stock Assets	50,152.61	29,931.57
Total	2,035,455.14	1,571,605.57

NOTE 8: OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Long Term Borrowings:		
Bank of Bhutan	-	-
National Pension & Provident Fund (NPPF)	-	24,300,754.24
Total	-	24,300,754.24

Note 8A: The term loan from NPPF has settled in 2024

NOTE 9: OTHER NON-CURRENT LIABILITIES

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Lease Security Deposit	87,822,231.00	88,977,786.00
Security Deposit	2,876,522.00	2,553,772.32
Deferred Grant Income	13,424,379.52	
Total	104,123,132.52	91,531,558.32

NOTE 10: LONG TERM EMPLOYEE BENEFITS (GRATUITY)

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Gratuity Provision [Non-Current Obligation]	7,914,342.42	7,946,463.71
Defined Benefits Plan Assets (Gratuity)	(6,201,753.36)	(6,529,108.38)
Total	1,712,589.06	1,417,355.33

NOTES 10A: NON-CURRENT LIABILITIES- DEFINED BENEFIT OBLIGATION

Particulars	2024	2023	Gain/Loss
Provision for Travel Allowance	339,609.82	393,681.64	54,071.82
Provision for Carriage Charges	266,676.82	209,619.10	(57,057.72)
Provision for Gratuity	6,194,483.09	6,594,713.75	400,230.66
Provision for Leave Transfer grant	339,609.82	393,681.64	54,071.82
Total	7,140,379.55	7,591,696.13	451,316.58

NOTES 10B: CURRENT LIABILITIES- DEFINED BENEFIT OBLIGATION

Particulars	2024	2023	
Travel Allowance	285,265.19	224,645.88	(60,619.31)
Carriage Charges	302,740.29	346,005.44	43,265.15
Gratuity	1,719,859.33	1,351,749.85	(368,109.48)
Leave Transfer grant	285,265.19	224,645.88	(60,619.31)
Total	2,593,130.00	2,147,047.05	(446,082.95)

NOTE 11: DEFERRED TAX LIABILITIES

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Opening Deferred Tax Liability	-	6,033,973.75
Deferred Tax Expenses During the Year (Refer No.7D)	-	(60,930.00)
Closing Deferred Tax Liability	-	5,973,043.75

NOTE 12 TRADE & OTHER PAYABLES

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Current		
Trade Payable, Unsecured, Considered Good	44,941,314.71	38,678,534.68
Total	44,941,314.71	38,678,534.68

NOTE 13: OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Lease Security Deposit (Current)	1,155,555.00	1,155,555.00
Current Maturities of Loan (NPPF & ICL)	-	2,111,098.00
Total	1,155,555.00	3,266,653.00

NOTE 14: OTHER CURRENT LIABILITIES

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Provisions for:		
Employee Benefit	12,732,887.16	9,067,484.52
Retention Monies	92,100.00	92,100.00
Liabilities for Expenses	540,367.00	2,018,594.17
Other deductions	100,400.00	100,400.00
TDS Payable	1,423,194.71	532,266.10
Advance from Client	12,107.56	1,780,061.31
Total	14,901,056.43	13,590,906.10

NOTE 15: LEASE LIABILITY

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Lease Liability - ROU	1,639,224.37	1,688,203.98
Total	1,639,224.37	1,688,203.98

NOTE 16: PROVISION FOR INCOME TAX

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Income Tax For:		
Financial Year	-	-
Total	-	-

NOTE 17: REVENUE FROM OPERATIONS

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Commercial Space	18,008,882.00	15,527,572.00
BITC Space	1,800,000.00	1,944,800.00
Information Technology Service	188,545,486.12	269,021,764.46
Lease Rental income	1,155,555.00	1,155,555.00
Total	209,509,923.12	287,649,691.46

NOTE 18: FINANCE INCOME

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Interest on Fixed Deposit Account	1,768,095.08	1,614,347.63
Interest on Gratuity fund deposit	347,906.65	439,883.14
Total	2,116,001.73	2,054,230.77

NOTE 19: OTHER INCOME

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Gain/(Loss) on Forex Account	-	36,963.29
Late Rental & Other Fees	4,727.74	5,227.27
Power Charges from Tenants	3,252,817.39	3,305,749.14
Grant Income	537,377.13	
Others	4,601,963.99	1,349,264.61
Total	8,396,886.25	4,697,204.31

NOTE 20: EMPLOYEE RELATED COSTS

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Personnel Cost Internship Fees	-	-
Personnel Cost Salary	52,206,128.00	39,926,349.17
Personnel Cost Provident Fund (<i>Employer's Contribution</i>)	4,115,186.00	3,797,408.00
Personnel Cost Employees' Benefits		
a. Bonus		
b. Performance Based Variable Pay (PBVP)	8,263,467.22	6,430,000.00
c. Leave Encashment	3,260,511.82	2,072,109.05
d. Leave Travel Concession	941,959.96	1,894,997.09
e. Gratuity Expenses	2,687,839.53	2,432,344.14
f. Transfer Grants Expenses	230,679.80	264,648.44
g. Carriage Charges	186,874.14	275,844.13
h. Travel Allowance	230,679.87	264,648.44
Total	72,123,326.34	57,358,348.46

NOTE 21: IT & IT SERVICES EXPENSE

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
E. IT & IT Services Exp. [Information Technology Service]		
IntergaSuite Unit Expenses	96,250.00	544,382.49
ASD Unit Expenses	-	442,343.14
SAP Unit Expenses	1,618,877.00	5,302,072.00
Projects Expenses	49,482,721.00	63,620,641.00
Other IT Services Expenses	14,209,090.22	4,079,664.96
Total	65,406,938.22	73,989,103.59

NOTE 22: OPERATION & MAINTENANCE EXPENSE

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Operation & Maintenance Expenses		
Repair & Maintenance (Civil Structure)	338,632.17	59,003.69
Repair & Maintenance (Computers & IT Products)	74,560.00	100,148.00
Running & Maintenance (Diesel Generator)	54,490.00	28,016.00
Running & Maintenance (Vehicle)	244,138.25	272,457.78
Total	711,820.42	459,625.47

NOTE 23: GENERAL ADMINISTRATION EXPENSES

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
A. Administration Expenses		
Audit Expenses	80,376.00	70,535.00
Actuarial Valuation Expense	-	55,000.00
Brand & Management Expenses	-	1,846,016.20
Donations	51,625.00	23,280.00

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Travelling (In country & Ex country)	1,874,774.35	452,696.50
Fees & Subscription	-	12,358.53
Hospitality & Entertainment Expenses	204,730.00	189,475.00
House Keeping Expenses	-	112,845.10
Training & Event Expenses	136,691.00	153,316.00
B. Board Meeting & Related Expenses		
AGM/EGM/Compact & Others Sitting Fees.	12,000.00	50,000.00
Board Meeting Expenses	13,742.50	21,736.00
Board Sitting Fees	382,000.00	204,000.00
C. General Insurance		
Building Insurance	-	251,383.37
D. Human Resources Development (HRD) Expenses		
Human Resource Training & Development Expenses	1,954,572.42	2,444,190.72
Staffs' Tea Allowance	430,290.00	422,939.00
F. Utility Expenses		
Water & Sewerage Charges	929,340.29	8,526.00
15.01 - Utilities - Electricity Charges - TTPL	878,162.61	3,965,688.00
15.01 - Utilities - Electricity Charges - Rental	3,252,817.39	-
Email & Web Hosting	230,298.85	233,091.86
Internet Leased Line Expenses	645,164.00	714,092.00
Internet, Telephone & Fax Charges	3,600.00	344,399.00
Utilities - VPS Charges - TTPL	417,600.00	-
G. Office Expenses		
Renewal Fees	20,520.00	3,980.00
Postage, Office Supplies, Printing & Stationeries	127,641.50	120,933.43
H. Marketing & Promotion		
Advertisement (Domestic)	-	47,840.00
I. Impairment Loss on Financial Assets		
Impairment Loss on Financial Assets	641,223.00	1,660,972.00
Total	12,287,168.91	13,409,288.76

NOTE 24: FINANCE COST

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Interest on Borrowings:	403,408.58	1,929,820.16
a) Housing Loan - NPPF		
b) Inter-Corporate Loan - (BTL & SMCL)		1,145,475.93
Bank charges	35,564.10	9,073.68
Corporate Guarantee Fees	220,959.73	492,828.42
Finance Cost - Lease	168,820.39	173,273.00
Total	828,752.80	3,750,471.19

NOTE 25: FAIR VALUE CHANGES ON INVESTMENT PROPERTY, NET

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Gain/(Loss) on change in Fair Value of Building held under Investment in Properties (As per Valuation Report)	-	-
Total	-	-

NOTE 26: ACTUARIAL GAIN/(LOSS) ON POST-EMPLOYMENT BENEFITS

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Actuarial Gain/(Loss) on Post-Employment Benefits held under Employees benefits (As per Valuation Report)	358,261.06	1,869,566.97
Total	358,261.06	1,869,566.97

NOTE 27: INCOME TAX EXPENSES

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Current Income Tax Expenses	-	-
Deferred Tax	7,606,713.37	60,930
Deferred Tax Expenses/(Income)	2,920,052.87	60,930.00

NOTE 28: EARNING PER SHARE

Particulars	As at Dec 31, 2024	As at Dec 31, 2023
Realized Earning for the year	61,451,644.33	130,976,077.41
Weighted Average No. of Equity Shares	2,230,909.00	2,230,909.00
Basic EPS from continuing operation for the Year	27.55	58.71
Diluted EPS from continuing operation for the Year	27.55	58.71

RATIO ANALYSIS

Thimphu TechPark Limited
Ratio Analysis for the FY 2024

Particulars	Formula	31 Dec 2024	31 Dec 2023
Return on Capital Employed: (A)	Share Capital + Reserve & Surplus	6.34	2.31
	Profit/(Loss) Before Tax		
Current Ratio	Current Assets	3.58	3.65
	Current Liabilities		
Quick Ratio	Current Assets except inventory	3.58	3.65
	Current Liabilities		
PBT/Gross Income	Profit/(Loss) Before Tax	0.24	0.44
	Gross Income		
PAT/Gross Income	Profit/(Loss) After Tax	0.28	0.44
	Gross Income		
Employee Cost/Gross Income	Employee Cost	0.33	0.19
	Gross Income		
Total Income/Fixed Assets	Fixed Assets (Net Block)	1.30	0.93
	Total Income		
Return on Capital Employed (B)	Non-Current Liabilities+ Share capital +Reserves (Total equity)	8.31	3.25
	Profit/(Loss) Before Tax		

COMPLIANCE CALENDAR

COMPLIANCE CHECKLIST
Check List for Compliance to Provision of the Companies Act of Bhutan, 2016

NAME OF COMPANY: Thimphu TechPark Limited						
REGISTERED No.: L20090824BHU0107						
Sl #	Ss.	INCORPORATION OF A COMPANY & SECURITIES	COMPLIANCE CHECKLIST			
			Y	N	NA	REMARKS
1	28	Changes to Articles/Approval		✓		
2	47	Change of name/Approval		✓		No change
3	123	Increase or consolidation of share capital		✓		
4	124	Reduction of share capital		✓		
5	82	License Copy and Share Certificate filing	✓			
6	107	Public offer of shares & Debentures-ROC Approval		✓		
MANAGEMENT & ADMINISTRATION						
7	217	Registered Office of Company (Postal Address & Contact Number)	✓			
8	221	Publication of name by Company (Letter Head, Seals and Sign Board)	✓			
9	241	Financial Year of Companies as of 31st Dec.	✓			Yes, company follows the same financial year which ends on 31 st Dec.
	242	Extension up to 15 months - ROC approval		✓		
	243	Extension up to 18 months - Authority's approval		✓		
	245	Financial Statements to follow BAS	✓			Yes, company follows BAS while making the financial statements
10	267	Annual Return Submission (On/before 31st May for listed; others 31st July)				
11	177	Annual General Meeting (Minutes)	✓			14 th AGM was held on 28 th March 2024.
12	180	Extraordinary General Meeting (Minutes)		✓		
13	185	Notice for calling general meeting	✓			
	187	Listed Co. - written as well as in media Public Co/Private Co. - Written Notice			✓	
14	190	Chairman of meeting (CEO cannot chair)	✓			

SI #	Ss.	INCORPORATION OF A COMPANY & SECURITIES	COMPLIANCE CHECKLIST			
			Y	N	NA	REMARKS
15	192	Representation of corporations at meetings (appointed by Board Directors)			✓	
16	193	Ordinary and special resolutions (Minutes)		✓		
17	195	Minutes of Annual General Meeting and Board Meetings (maintained ss.195-198)	✓			
18	199	Declaration and payment of dividend (199-209)		✓		
19	232	Books of account to be kept by company (location & time)	✓			
20		Board's report (signed by Chairman)	✓			Signed by the chairman
21	252	Appointment and removal of Auditors re-appoint annually (251- 259)	✓			
22	260	Resignation of Auditors from office (Annual Resignation)	✓			
23	266	Auditing standards (Audit using Auditing Standards issued by AASBB)	✓			
24	133	Number of directors (Minimum No. & retirement on rotation)	✓			Four number of board of directors has retired
25	139	Additional directors		✓		
26	140	Consent to act as directors	✓			
27	141	Certain persons not to be appointed as Directors	✓			
28	142	Resignation by a director		✓		
29	143	Removal of directors		✓		
30	146	Board meetings (4 meetings for Public Cos. & 2 Meetings for Pvt.)	✓			86 th on 25 th March '24 87 th on 17 th May '24 88 th on 23 rd July '24 89 th on 20 th Sep '24 90 th on 2 nd Dec '24 91 st on 18 th Dec '24
31	152	General powers of the board	✓			
32	156	Restriction on powers of Board	✓			
33	210	Appointment of Chief Executive Officer (Max 5 years terms & 2 consecutive terms only)	✓			
34	414	Appointment of selling or buying agents (govt. Approval obtained or not)			✓	

SI #	Ss.	INCORPORATION OF A COMPANY & SECURITIES	COMPLIANCE CHECKLIST			
			Y	N	NA	REMARKS
35	157	No loans to directors (only for Public Co.)			✓	
36	53	Inter-corporate investments (investments to be disclosed) apply old rule		✓		
37	158	Contracts in which directors are interested		✓		
38		Companies to have secretaries	✓			
39	161	Standard of care required by directors (Reckless decision)	✓			

Check List for Compliance of Provision of the Companies Act of Bhutan, 2016

		STATUTORY RECORD AND INSPECTION	Y	N	NA	REMARKS
40	228	Statutory record and inspection	✓			
41	(a)	Register of buy-back of shares		✓		
42	(b)	Register of transfers		✓		
43	(c)	Register of charges		✓		
	(d)	Register of inter-corporate loans		✓		
44	(e)	Register of inter-corporate investments		✓		
45	(f)	Register of contracts in which directors are interested		✓		
46	(g)	Register of directors	✓			
47	(h)	Register of directors' shareholding	✓			

PRIOR YEAR AUDIT FOLLOWUP REPORT

Summary of Follow-up Report for Statutory Audit for the year 2023 and prior years

Accounting year	Total No. of recommendation provided	No. of recommendation implemented	No. of recommendation partially implemented	Balance recommendation to be implemented
2023	0	0	0	0

Detailed Follow-up Report for the year ended 31st December 2024

There were no Audit observations for the year 2023 and the company has complied all the observations raised during the previous year.